

DISTRIBUTION AND WAREHOUSING



The Business Paper of the Warehouse Industry

Volume 26

NEW YORK, MARCH, 1927

No. 3

Public Warehousing and Economic Distribution

Number 24

The Shipper Should Coordinate the Advertising Dollar and the Sales Dollar, with the Warehouse as a Reservoir

By H. A. HARING

ADVERTISING is one step in the marketing of goods. The advertising aims to create desire for the goods, to stimulate demand; it seeks to do, in another form, what the salesman does: sell. So largely is buying, in America, influenced by the printed word that no less an authority than Mr. Babson has stated that advertising is to become more and more a necessity, and, furthermore, that no manufacturer in this country can hope to develop his maximum market without resort to advertising.

Warehousing, too, is a step in the marketing process. The warehouse function is not so much that of selling the

goods—which it can hardly assay to do—as it is a cost-cutting element. The warehouse enables the manufacturer (or distributor) to carry spot stocks at strategic marketing centers, in readiness to supply demand. The warehouse is like grandmother's pantry; the storehouse to feed hungry mouths. In commercial usage, the warehouse stock is the reservoir from which dealers get goods as they need them for their customers.

The advertising of goods and the warehousing go hand in hand, although this fact is not always perceived by the advertiser.

TWO years ago a Boston manufacturer launched a newspaper campaign throughout the State of Indiana for his product. Now, a newspaper campaign is essentially a device to sell goods. Newspapers blanket a marketing area with thoroughness, and if the job be properly done the returns are immediate. Demand for the article advertised begins to appear almost as soon as the papers are on the street.

With this manufacturer, however, for some reason the advertising seems to have been handled without proper co-operation from the sales department. The schedule called for first insertion with the first day of November of that year, but it was only a day or two after that date before the newspaper publishers sensed that something was amiss. Their street men began to report that dealers were asking about the article ad-

vertised; none of them had it; they could not get sufficient supplies from jobbers; the jobbers themselves were unprepared for the sudden rise in demand.

One of the newspaper managers telegraphed the manufacturer the facts as he saw them, suggesting that, if the advertiser had not prepared to supply the demand, he would be wise to cancel the advertising. Reply came that shipments from factory had been made but that

Public Warehousing and Economic Distribution

no stocks had been spotted into Indiana. The advertising manufacturer urged continuation of the advertisements because "dealers can expect stock next week, Tuesday at the latest." One newspaper, at least, refused to continue the copy with a flat statement of its position:

"Our readers believe in us as they do in the family Bible. We must decline to mislead them into thinking your goods are available in this city. The money your ad pays us would not begin to compensate us for loss of local prestige."

Shortly thereafter it was announced in trade channels that the Boston manufacturer had employed a new sales manager.

Some one's head had fallen for the terrible error of not supporting the advertising with ample stocks of the goods.

An Opposite Illustration

THE American Can Co., as one of its little known products, manufactures a line of "orchard heaters." Orchard heaters are unknown to the northern and eastern States, but they are as important as fertilizer in Florida and the Gulf States and in California. In those districts the citrus crops, whose fruit matures in November but hangs on the trees until April, are periodically endangered by unseasonable frosts. Such frosts occur at irregular intervals; such years are blessed with none, other winters are a continuation of "freezes" or the threat of them.

Citrus crops "freeze" at 27° or 28°. By use of "smudges," for which fuel oil is the favored source, the orchard temperature, amid the trees, may be raised 8° or 9°, thus giving protection for a temperature that may go as low as 20°. Warning sirens are blown, in the citrus districts, as dangerous drops in temperature approach or are forecast. The siren is the signal for the farmer to light his smudges for protection of his crop.

Of its "orchard heaters" this particular manufacturer has sold more than a million, with some 329,000 during 1926. Yet his 1926-1927 advertising did not stress former achievements. In the local newspapers of each town of the citrus districts in the appropriate States the "copy" does say: "Remember these are the heaters recommended by the Growers' Committee and approved by the Fruit Growers' Supply Company," but it goes further by announcing this:

"Growers: Plenty of orchard heaters in warehouse now at for immediate delivery."

For each locality is inserted the appropriate warehousing town. Then are given the names of nearby distributors, with the admonition: "Phone your order; ask for 'Warehouse service.'"

When the fateful sirens began to blast out their warnings the week before

Christmas, at the beginning of what has been one of the worst citrus winters, the warehouses were stormed. Each day that the forecast predicted continued cold, with urgings to "Start the smudges not later than 5:30 tonight," citrus farmers besieged those warehouses which

his shelves. An article advertised as for sale with grocers is sought at groceries. If the grocery fails to have it in stock, the newly created demand goes unsatisfied. Either the individual does without the article, or he accepts a competing make. That competing make can be only such as the grocer happens to handle and, at the moment, has in stock.

It is for this reason that so often we hear the remark: "The product lives or dies with the dealer." If the dealer fancies the article, and is willing to stake his money to the extent of laying in stock, the demand created by advertising will be filled. If he fails to cooperate, the advertiser's dollar goes for naught, unless—

Unless the advertiser has made it easy for reluctant dealers, who refused to lay in a stock for the proposed advertising campaign, to retrieve their poor judgment on short notice.

This is made possible in two ways.

First of these is to insure that local jobbers are well stocked.

The second is to provide ample stocks in convenient warehouses, for replenishment either of jobbers' or retailers' stocks.

The national advertiser should never allow his product to "die" with a dealer. Dealers are in business to make money; they make money by selling what is wanted. They are eager to stock and handle anything for which definite demand exists: that is the basis of advertising.

The warehouse stock should buttress the advertising by holding a stock of goods ever close to every dealer.

Allow him no alibi or excuse for saying "No" to any customer.

I was, within the present winter, in a city of 100,000 people for six days. Each of those days I saw advertisements, running from a quarter to a half page, in one morning paper and two evening papers, for a certain product that is manufactured by one of our billionaire corporations. It is a product which I use regularly, and buy almost daily. Yet it was in vain that I visited every down-town dealer who would naturally carry the goods. Not once during those six days was I able to locate a dealer who had, or who had had, or who expected to have, that article.

Nor was that an isolated instance. In the capital city of that same State I was able to locate only one dealer who pretended to handle the product—he was "out" of the article every day of the ten or eleven I stayed there.

The article in question is a new one, marketed, it is true, within the past nine months. It is, at the same time, a product not advertised nationally for the reason that it can not be sold in certain sections (notably New York and New

The Flow of Sales and Advertising Dollars

THE warehouse stock should buttress the advertising by holding a stock of goods ever close to every dealer—this is the thought which Mr. Haring throws out to the national distributor in the accompanying article.

"The national advertiser," Mr. Haring points out, "should never allow his product to 'die' with a dealer. Dealers are in business to make money; they make money by selling what is wanted. They are eager to stock and handle anything for which definite demand exists: that is the basis of advertising."

The author here gives some examples intended to impress upon the manufacturer the necessity of coordinating warehouse stocks with advertising campaigns. For without such coordination the advertising is apt to fall flat—"The advertising dollars are flowing out with no possibility of sales dollars coming in."

The twenty-fifth of this series of articles, written particularly for sales and traffic managers, will appear in an early issue.

promised "plenty of orchard heaters."

Every indication is that the 329,000 sold in 1926 will double for 1927. Farmer after farmer has told me, this winter, his reaction to these advertisements. Those reactions might be summarized into this:

"Those ads told me where to get heaters, right here in town; if a freeze didn't come, I needn't bother; if it did come, I could buy all I wanted after the sirens blew the warning."

Products Live or Die With Dealers

SUCH an article as orchard heaters, in this instance, would be advertised directly to the ultimate consumer. In this case he was directed to the warehouses for a supply.

Ordinarily, on the contrary, the consumer is forced to buy of the retailer. The consumer looks to the dealer, caring not and worrying not how he may supply

Public Warehousing and Economic Distribution

England). It is, accordingly, being advertised in newspapers only, the coverage being presumably extended as new territories are opened up. Nevertheless, for some reason unknown to me, a terrible "slip" has come between the advertising department of the corporation and the sales department. Dealers in some cities have not the goods, nor are they able to obtain them from distributors or through the warehouses.

The advertising dollars are flowing out with no possibility of sales dollars coming in. In some manner the advertising and the selling have not been coordinated, the failure showing up in the lack of goods to support the publicity.

The warehouses, in a word, instead of being filled with the goods, are empty.

A Crooking Practice

SUCH examples are, of course, exceptional. They are probably accidental.

The usual practice is the sensible one. Advertising is accompanied by stocks in warehouses at distributing centers, whence the goods can be sent to the jobber or dealer upon short notice, with quick delivery, so that the full benefits of the advertising may be reaped at all times.

The best practice, furthermore, is to supply such warehouse stocks prior to the advertising campaign.

In "dealer copy" and in salesmen's interviews with dealers nothing is more telling than to mention the places where spot stocks are available. Advertisers find, as they line up their dealers into cooperative efforts to push the goods, that no appeal is stronger than to show the dealer that advertisements are to run in his local newspaper: instinctively he feels that the best pulling power lies in the medium he reads and which he uses for his own advertising. In a similar manner, the mention of a warehouse in his city stimulates his enthusiasm; if it be a warehouse from which he is in the habit of drawing goods, the intimacy is all the greater. Unconsciously, in such a case, the dealer feels that the advertised article "is with friends" and that his needs will be easily met.

Illustrations lie everywhere in the current advertisements. A manufacturer in Spain who is advertising in this country his corkboard insulating material (handled of course through an American representative) incorporates into the copy the cities in which agencies are maintained. It is then told that warehouse stocks are maintained in New York, New Orleans, Los Angeles, San Francisco, Chicago and St. Louis. Not content with this, the copy contains also this information:

Warehouse Delivery Service
Generous stocks of from one to two

million board feet are carried in warehouse stock at New York at all times, half as much more is usually on the ocean enroute to New York or New Orleans, and a minimum stock of a million board feet is always ready for shipment from Spain. In addition, there are generous quantities in branch offices, agent and distributor stocks, and warehouses, located throughout the country. Users are thus assured of prompt delivery of any reasonable requirement.

Another article for which spot stocks are highly important is anhydrous ammonia, used by refrigerating plants. In the trade publications, hardly a maker

to outlying points, or (3) if his own truck calls for it at the company's warehouse, the "ex-warehouse price."

For the Port of New York, these quotations in a recent circular were:

In bags of 100 lb. each	Price, per 100 lb.
1 to 14 bags per delivery	\$1.35 f.o.b. Syracuse; 1.94 ex-warehouse New York or Newark;
	2.19 delivered in, or f.o.b. at, either New York or Newark.
15 bags or more per delivery	1.35 f.o.b. Syracuse; 1.94 ex-warehouse New York or Newark;
	2.04 delivered in, or f.o.b. at, either New York or Newark.

Similar quotations are given for the same commodity in drums.

Some Other Examples

THE advertisements of paper manufacturers, ink makers and similar printers' supplies are always full of thrills to one interested in warehousing. It is well known that the demands of printers for paper and supplies are irregular, and there is something about the printing industry that seems always to wait till the last moment before deciding on a "job" and then wanting it rushed on a 24-hours' work schedule. Makers of supplies for this industry recognize this condition. Their advertising, therefore, emphasizes the ease with which supplies may be obtained from full stocks.

It is not unusual for advertisers to print a map of the country with stars to catch the eye, each star representing a warehouse stock. Such phrases, too, as "nationally distributed," "see next page for list of warehouse stocks," and "full stocks at every printing center," occur with surprising frequency.

In this manner the current copy of the West Virginia Pulp & Paper Co. lists 33 warehouse stocks with complete addresses of each; the Neenah Paper Co., 46, with additional listing for envelope stock and for export business; Dill & Collins, 38; Howard Paper Co., 58; Chicago Paper Co., 47; and so on.

Suggestive advertisements, those of the paper manufacturers, for anyone whose task it is to correlate advertising and selling for other products.

In the confectionery industry, warehouses feature in the newer advertising. Jobber distribution of confectionery is ever in conflict with "direct distribution" of some manufacturers. Those who attempt to deal "directly" with the multitudinous dealers in this field urge upon them that ample warehouse stocks afford the same promptness of delivery that a "jobber right in your town" would offer.

The Linde Air Products Co. (for Linde and Prest-O-Lite welding equipment and supplies) never forgets to emphasize its wonderful warehousing facilities. Their

(Concluded on page 57)

N. F. W. A. Plans Its Future Activities at Constructive Meeting in Biloxi

Steps Ahead Include an Indexed Record of Court Decisions; Truck Cost Accounting Form; Operation of Eastern Inter-City Removals Bureau; Advertising Campaign; a Set-Up for Arbitration, and a Code of Ethics; Story of the Winter Convention

By KENT B. STILES

PERHAPS no better example of the value of an industry's trade associational activities could be cited than the seventh semi-annual meeting of the National Furniture Warehousemen's Association, held in the Edgewater Gulf Hotel, near Biloxi, Miss., on Jan. 17 to 21. Constructive groundwork was laid for the intelligent development of many phases of the business of storing, handling and shipping household goods by rail and truck. The National now has a membership of 841 companies and has closed its doors to all but "quality" firms. In fact, one of the high-lights of the Biloxi assembly was the adoption of a motion which requires, in effect, that any company hereafter accepted to the rolls must first have been affiliated for one year with a recognized local, State or regional association affiliated with the National.

The plans for the work ahead, as announced at this winter meeting held in the South, include the following:

1. An indexed record of Court decisions pertinent to household goods warehousing is to be prepared by the legislative committee.

2. A standard form for motor truck cost accounting is to be worked out by the cost and accounting committee.

3. The traffic committee will make an effort to prevent the placing in effect of a proposed change in the wording of the emigrant movable description in Consolidated Freight Classification No. 4—a change which, it was declared, would decrease household goods shipping and result in loss of cartage and packing revenue.

4. Plans were made known for the establishing of an inter-city removals bureau in the eastern States, similar to the bureau which has been functioning successfully in the central western States. (The eastern bureau began

operating late in February, with headquarters in New York City.)

5. A direct advertising campaign, in the form of instructive texts on circulars addressed to the public, will be undertaken by the publicity committee, which also will conduct a publicity campaign designed to educate the public regarding the service accorded by the industry.

6. A new committee will prepare a plan of arbitration which will provide the association with machinery for adjusting differences which arise out of the conduct of the business. This will be worked out in cooperation with affiliated local, State and regional trade bodies.

7. A code of ethics, otherwise known as "proposed rules of practice," will be provided for the members. This will cover relations with employees, relations with the public, and members' relations with one another.

So much for the future. The Biloxi meeting itself was not without constructive action. The National ratified the articles of association of the Council of Warehousemen's Associations, under which the National and the American Warehousemen's Association will cooperate to their mutual progress. The industrial relations committee presented for the members' consideration a plan for an eight-hour day of work on the basis of crediting overtime with time off, as a possible means of reducing overtime expenses and yet give employees more satisfactory working conditions. A standard form to be used in long distance removal operations was adopted in principle. The delegates refused to adopt a motion declaring it to be unethical for one member company to remove goods from the warehouse of another.

The features of what took place at the Biloxi meeting follow:

Officers' Reports

PRESIDENT BLACKBURN, upon opening the meeting, called on J. Edgar Lee, Chicago, the new president of the American Warehousemen's Association, for a talk. Mr. Lee said he brought the American's greetings and he pledged continuation of the cordial relations between the two organizations.

In his report Mr. Blackburn said 1926 was a year "of unusual business pros-

perity, good health and happiness, with a minimum of labor troubles" and that "if the prosperity can be carried through the year 1927 we will enjoy a wider happiness through a closer cooperation and better understanding of our life problems."

National and State legislative programs will require alert watchfulness, particularly measures dealing with motor truck regulation, he said.

Alluding to the opening of an eastern branch of the long distance removals bureau, Mr. Blackburn urged cooperation. "Do not forget that motor transportation is here and we must use our best efforts in a way to keep the business within our industry," he reminded.

After describing the activities of some of the committees, Mr. Blackburn called attention to many changes in the personnel. "With the fundamental prin-



Here are the president and six of the directors of the National Furniture Warehousemen's Association as snapped by "Andy" Murray at the Biloxi, Miss., convention in January

ciples worked out," he said, "it is time for us to relieve those who wish to relinquish active duties. There are many young men in the industry who have not as yet served in an active way, and I believe it is time we should be developing these young men to fill the places of those who have served so long."

The president urged that State associations arrange their meetings so that the dates would not conflict, thus to make possible greater attendance of N. F. W. A. representatives and of warehousemen in other States. He concluded:

"As we are entering 1927, may it be with the determination of deeper thinking, that we may correct errors in the past and improve our service in the future. Certainly we cannot expect to establish for ourselves desirable prestige until a superior service is rendered. It is wise to insist that every one of our representatives be a credit to us. With such a standard we will all work in harmony for the happiness and betterment of mankind."

Ralph J. Wood, Chicago, secretary, said in his report that there was evidence of increasing recognition, among the members, of the value of cooperation.

He declared business conditions throughout the country to have been "generally good" in 1926. Reviewing members' building operations, he said there was an ever-increasing demand for the modern fireproof depository. Mr. Wood emphasized the failure, by some members, to answer correspondence with regard to shipments; some of the larger companies were negligent, he declared. "This is important, not alone for the neglect of and courtesy to another member, but as to the reaction from the public if similarly mistreated," he pointed out.

Henry Reimers, Chicago, in his report as executive secretary declared that "business, including warehousing, was generally prosperous" in 1926, adding:

"In certain sections there is a surplus of warehouse space which, of course, caused some individuals to be pessimistic, but as a whole we fare satisfactorily. . . . Only a guess can be hazarded as to what is in store for 1927. We guess that warehousing will continue along as it did in 1926. Some sections, such as

California and the Pacific Coast, generally, might fare somewhat better than last year."

Mr. Reimers reviewed in detail the

National's activities, outlined the work in prospect and made a number of recommendations and suggestions.

Regional Conditions

REPORTING on business and general conditions in the eastern region, Walter E. Sweeting, Philadelphia, eastern divisional vice-president, said an analysis of reports he had received could be boiled down to three words—"Business is normal." The eastern warehousemen were awaiting with interest the establishing of the inter-city removals bureau branch and it would receive the support and cooperation of the majority, he believed. A notable achievement in the East during the year was "the firm establishment of the hourly basis for house to house removals" in Newark, N. J., and vicinity, Mr. Sweeting reported. There had been no labor troubles and 1927's horizon was clear in this respect.

Mr. Sweeting cited "the failure of a considerable number of our members to pay any attention to the clear and easily understood correspondent shipping rules" adopted at the Memphis convention in 1926.

"The rules are specific in their direction that (unless customer of a shipping warehouse orders otherwise) goods are to be consigned in care of a member at destination," he continued. "This of course means that the name of the destination member should appear on the bill of lading.

"Nevertheless many bills of lading are coming through from all parts of the country on which the goods are consigned to the order of shipper, notify customer at customer's personal address—no mention of the destination warehousemen appearing on the bill of lading.

"This, of course, means that the arrival notice is sent directly to the customer and it very frequently means that when the customer comes to the destination-member's office to pay charges he already has arranged with some other concern for the delivery of the goods.

"Usually this very concern is a corner mover, in no way qualified fairly to represent the interests of the shipping warehouse—in fact having an excellent opportunity to blame alleged faulty packing for any damage he may do in handling.

"So you see the failure of a shipping warehouse to live up to our correspondent shipping rules frequently gives the receiving warehouse the burden of handling the collection, sometimes placating an irritated customer, without any benefit therefrom, and it deprives the shipping warehouse of the services of a competent correspondent to protect their interests when the goods are delivered and unpacked."

William I. Ford, Dallas, southern divisional vice-president, said that "a cross section of opinion from Miami to El Paso of men prominent in our industry breathes optimism," with business generally having been as good in 1926 as it was in 1925 and with business reported normal in Florida. He believed the South's purchasing power would be as great this year as it was last, thus making for good business throughout the section.

Mr. Ford considered as outstanding the fact that the Southern and Texas associations had taken on salaried full-time secretaries—D. R. Benedict for the Southern and Col. N. H. Bannister for the Texan. "For years," he commented, "it has been the custom for the associations to meet and point out many things that were wrong among their members and pass solemn resolutions to better conditions, and then go home and forget all about them until the next convention. Realizing this—and with the hope and belief that such condition could be much better—will account for the decision on the part of these associations to employ all-time secretaries to look after the many matters of common interest to the warehousemen of these sections."

Reporting as central divisional vice-president, Julian M. Gibson, St. Louis, indicated conditions generally satisfactory in the States where State associations function. State by State he outlined what these and the local organizations were doing along various lines.

Turning to Kansas, Oklahoma, Indiana and North Dakota and South Dakota, Mr. Gibson said that the warehousemen there may soon form State associations. Wichita had organized a local body and had a committee which was planning a State organization. He urged that Mr. Reimers foster this development in the five States.

General conditions were better in the western region in 1926 than in 1925, Milo W. Bekins, Los Angeles, reported as vice-president of the western division, but the net profit enjoyed by most of the storage men has been less than previously, due principally to three causes:

"First, where new buildings or facilities have been added, the increased cost of operating this additional space and the larger overhead is always sure to reflect itself in the net profit.

"Second, in some cases, gross volume has decreased, and the warehouseman has failed to watch his monthly statements and decrease his overhead expenses accordingly.

"Third, in a few cases, warehousemen, in their endeavor to secure new business, have not only reduced prices, but have endeavored to force an expansion in their business by increasing their advertising and selling expense unduly. . . ."

Southern California warehouses have been approximately 60 per cent filled, Mr. Bekins reported, while in northern California and the Northwest the occupancy percentage has been higher. West-bound shipping has increased during the second half of 1926, he concluded. Indications were that 1927 would be "a tremendous tourist year for southern California and the entire West Coast."

President Blackburn appointed Walter C. Reid and John G. Neeser of New York, and Floyd L. Bateman of Chicago a committee to prepare a resolution regarding the death of Scoville Aspinwall, son of Clarence A. Aspinwall, Washington, D. C.

Insurance

WITH Milo W. Bekins in charge of the insurance discussions in the absence of the committee's general chairman, Ernest H. Milligan, New York, reports of two of the committee's divisional chairmen were presented, preceded by the reading of Mr. Milligan's report.

Mr. Milligan emphasized that the members should examine their policies frequently to make certain "that they are getting the coverage that they want."

"Errors in the writing of policies and omission of proper warranties," he reminded, "have cost business men many hundreds of thousands of dollars, opening a channel to insurance companies to make a compromise with the insured and not pay that which they would pay were the policy correctly written. One of the best ways to guard against errors is to have, as your agent or broker, an organization of sufficient size so that these and various other details affecting the coverage are properly attended to."

Mr. Milligan noted a tendency during 1926 to increase insurance rates in all the southern States except Florida; in the case of fire coverage, from 10 to 25 per cent.

Regarding mutual insurance, the chairman said the committee did not at this time care to make a recommendation as to its advisability. He then took up the problem of warehousemen making an additional charge for service in connection with the Home Insurance Co.'s transit policy, originated and sold by Howard S. Tierney, Inc., New York.

"Mr. Tierney tells me," Mr. Milligan said, "that he has been unable to find any law on the statute books of any State as to what a warehouseman may charge for his services, although in some States it is regulated as to how much he may charge for the transportation of goods, and, of course, in some States where public utility commissions set the rate for storage. The situation, then, is that you are actually charging the customer the same amount for the insurance as you pay for it, but are making additional charge for your service. . . ."

"I have Mr. Tierney's statement that the Home Insurance Co., through him, desire to make it clear that they disagree with those who contend this is a violation of the law, and, being cognizant of the law and the practice, are advising the warehousemen that it is proper that they bill their insureds for insurance and service."

Mr. Bekins, in his report as chairman of auto insurance, urged the members to come in under the National's plan to take care of this coverage. "We must get at least 85 per cent of the members in each district before we can obtain the minimum low rate and the maximum saving under this Class & Johansing policy. . . . The loss experience so far has been very favorable, and your committee believes it will be only a matter of a couple of years before a greater saving can be made to all the members. . . . Writing the entire insurance of the members under one policy in one company is the only manner in which the warehousemen can eventually secure a rate to which they are properly entitled."

In the report presented on behalf of Clarence A. Aspinwall as chairman of the division of accident and fire prevention, Mr. Aspinwall said that accidents in the industry were due in large measure to two mechanical and four human causes: 1. Defective apparatus. 2. Bad lighting. 3. Ill health. 4. Alcohol. 5. Carelessness. 6. Fatigue. "The mechanical causes can almost certainly be corrected," he declared. "The human causes are not so easy to control."

The six causes he discussed in detail. Regarding alcohol, he said:

"Statistics are so numerous in regard to the increase of frequency of accidents caused by the use of intoxicating liquors, that there is now no argument as to the economic importance of temperance. Whatever our views may be as to the political issues of 'wet' and 'dry,' if we are seeking safety in our organizations we should be 'bone dry' in our operating forces."

Turning to fire prevention, Mr. Aspinwall said that in available records "the cause of most fires in household goods depositories is shrouded in doubt." He added:



16

More of "Andy" Murray's camera views at Biloxi: 1. Edgewater Gulf Hotel, where the seventh semi-annual meeting was held. 2. P. J. O'Connor, Louis G. Myers, Fred L. Harner and W. H. Protzman. 3. Driveway between hotel grounds and Gulf of Mexico. 4. Barret C. Gilbert. 5. Mrs. D. J. Perky, Mrs. R. V. Weicker, Mrs. Schuyler C. Blackburn, Mrs. George Leinweber, Miss Weicker. 6. Frank E. Scobey, James F. Keenan. 7. The swimming pool. 8. M. W. Niedringhaus. 9. J. Edgar Lee, Willis D. Leet. 10. Another view of the Edgewater Gulf Hotel. 11. Frank E. Scobey, Ralph J. Wood, James F. Keenan

"Spontaneous combustion is alleged as the cause of many fires, and cigarette smoking is suspected as the cause of many more, but not definitely proven. Defective wiring is another frequent cause. It is probable that if the truth were known, cigarettes would be found to be the principal cause. The rule in regard to no smoking cannot be too rigidly enforced."

Mr. Aspinwall set down some prevention suggestions with regard to cleanliness, ventilation, illumination, obstructions, watchmen, fire extinguishers, heat, sprinklers, instructions to employees, fire department inspections and other fundamentals.

"Most of us," he concluded, "have spent the years of our experience in this industry without encountering a fire, and

hope to spend the remainder thus, but eternal vigilance is the price of security, even more than it is of liberty."

No report was submitted on behalf of A. H. Hollander, Chicago, as chairman of the division of building insurance, but Mr. Milligan, in his report, stated that Mr. Hollander was formulating a standard schedule in cooperation with Mr. Tierney.

Membership—Industrial Relations

A NET gain of fourteen in the association's membership since last July was noted by Frederic E. Aaron, Philadelphia, reporting as membership committee chairman. The total is 841. The committee had aimed at quality rather than quantity, he said, and this had

necessitated the discontinuing of some memberships for ethical reasons or for failure to pay dues. "There are," Mr. Aaron concluded, "still forty or fifty concerns whose addition to our association would work to our mutual benefit."

During the convention the N. F. W. A. directors held two sessions, and the following companies were elected:

Brockton Fireproof Storage Co., Brockton, Mass.

Burch Warehouse & Transfer Co., Inc., Pueblo, Colo.

Citizens Transfer & Storage Co., Holland, Mich.

Dean of Ithaca, Inc., Ithaca, N. Y.

Federal Storage Co., Tulsa, Okla.

Ford Transfer & Storage Co., Omaha, Neb.

Howell Warehouses, Ltd., Toronto.

Jurgen's Fireproof Storage Co., Hammond, Ind.

Kane Storage Warehouse, Chicago.

Edward C. Nash, Westport, Conn.

National Van & Storage Co., Oakland, Cal.

Under the membership discussion at the general meeting, a convention program question was propounded: "Should any applicant for membership be required to serve a probationary term in a local or regional association, where such exists, before being approved for membership?"

Charles S. Morris, New York, urged "a year of primary association membership" before being admitted to the National. He moved that it be the sense of the meeting that before any company's application be presented to the National, membership in an affiliated association—local or State or regional—for at least one year, be a requisite. The motion was adopted.

In his report as chairman of the industrial relations committee, George A. Rutherford, Cleveland, noted that the number of strikes pending decreased sharply from 1925, and that 1926 ended "with labor and capital on a more friendly basis." In the main, wages had become stabilized throughout the country, he said, "and we can look forward with confidence to the same condition during 1927." He continued:

"Wages are not the only thing we have to consider in our relations with labor.

It is reported that in nine cities a five-day week is now in effect in some of the building trades. We in the storage business must recognize these things that are happening in other lines and think about them and prepare ourselves to meet the issue when we are finally confronted with it."

A Plan Suggested

The immediate question confronting warehousemen was: "What are we going to do with our employees?" Mr. Rutherford said, adding:

"Our industry is peculiarly different from any other, each locality has a different problem, our peaks and valleys of business volume are not the same, and our labor problems vary. Some of us are dealing with union labor and some have open shop conditions, and herein lies the difficulty of any concerted action toward labor improvements that are applicable in both cases. . . .

"Our secretary, who is wide awake to anything that promotes the betterment of our industry, has contributed this suggestion:

"Might an eight-hour day work in this industry on the basis of crediting overtime with time off be advantageous?"

"Assume an eight-hour day were established. During the peak moving periods when a great deal of overtime is put on, instead of paying for overtime, overtime hours would be credited to the employee with the understanding that the employee will be given time off with regular pay (during slack periods) equivalent to accumulated overtime.

This plan would be for employees in the service six months or longer.

"Suppose business continued so good that an employee accumulating overtime surplus could not be laid off to enjoy this time. At the end of each year it would be the idea to pay a cash bonus for accumulated time based on the regular rate of pay.

"Might not there be some possibility of reducing overtime expenses under such a plan and yet give employees more satisfactory working conditions?

"The plan is to play slack periods against the busy periods and even out the hours of employment. During slack periods, permanent employees are either loafing or putting; they seldom do a real day's work, and we believe it can often be found that they might just as well be sent home. The plan permits sending them home with pay for such time that has been accumulated during slack periods, and yet the employer is not out extra money; to the contrary, he may be able to save on the payroll."

Daniel P. Bray, Kansas City, a member of the committee, indorsed the plan. Reed J. Bekins, San Francisco, suggested that such a plan would not be sanctioned by the unions.

The association voted to amend the constitution and by-laws to provide for holding the semi-annual meeting hereafter in the summer. This means that the next annual convention will take place next January instead of July. Accordingly, a resolution was adopted providing for extension of the terms of the officers, and of the nominating committee headed by Charles S. Morris, until next January.

C. J. Neal, Cleveland, moved that no program be prepared for a semi-annual meeting in July. This was interpreted as an effort toward leading to an arrangement whereby the holding of semi-annual meetings would be abandoned—a problem which has not yet been solved. In order—it was assumed—to prevent extended discussion of this controversial subject at Biloxi, William I. Ford moved that Mr. Neal's motion be tabled. Mr. Ford's motion was adopted.

The articles of association of the Council of American Warehousemen's Association—the N. F. W. A. and the American Warehousemen's Association being members—were read by Secretary Wood. On motion by H. C. Goodman, Birmingham, Ala., they were ratified unanimously. The A. W. A. had adopted them at its Kansas City convention the previous week. (The text of the articles will be found in this month's "With the Associations" department.)

President Blackburn announced that two Council committees would be appointed—one on public relations and one on inter-relations—and that each association would contribute \$500 into the Council's treasury.

Mr. Wood read the third article of the National's code of ethics, alluding to truth in advertising, and said that a number of the National's members were not strictly adhering to it in their advertising.

Arbitration—Code of Ethics

A "WELL-DEFINED scheme for association arbitration" was presented by Floyd L. Bateman, Chicago—a "methodical plan for the settlement of disputes where differences of opinion cannot be settled without some sort of quasi-judicial proceeding" in the affairs of local associations affiliated with the National.

This plan was approved in principle and the president was authorized to appoint a committee of five to consider the theory of arbitration, to study the by-laws of the various associations, and to present at the 1928 annual meeting for consideration some sort of an arbitration set-up which the associations could incorporate into their by-laws.

"Those who wrote the constitution and by-laws of the National association sought to tie up and make effective, in the operations of its affiliated local associations, those principles of business conduct which as a national body we believe shall best serve in this business of handling household goods," Mr. Bateman said in part.

"The idea was sound and was based on the assumption that local associations would in time become representative of the best in the industry. We cannot say that that objective has been reached. If it has not, who is at fault? None other than you in the conduct of your local affairs.

"Assuming that a local or regional association is not representative, it behoves all of those concerned to keep at the job until the best in the local field is enrolled. When this is done, every member not only should but must, if harmony is to prevail, learn to give as well as to take. . . .

"If, after members of a local association have searched conscience and employed the rule of reason, there still remains honest differences of opinion, such differences ought to be transmitted in judicial fashion to a tribunal of arbitration. All difficulties in local associations are not internal. Many are external. In the latter circumstances the problem is always of concern to the National, and local associations should, when they cannot settle difficulties, invite the judgment of those removed from the immediate local situation. Sometimes we mistake intent. Sometimes we misinterpret language employed."

Mr. Bateman gave Henry Reimers, executive secretary, the credit for preparing the "well-defined scheme for association arbitration." This provides for the appointment of an arbitration committee of from three to seven members, with the National's secretary to act both as secretary of the committee and as secretary to arbitrators appointed by the committee.

Mr. Bateman read the set-up of the plan, defining the duties of the secretary and of the committee members, explaining the method of procedure, the method of voting by the arbitrators, the form and time of award, etc. He added:

"This set-up, as you observe, is de-
(Continued on page 16)



More Biloxi personages: 1. William M. LeMoine. 2. Don C. Welch. 3. Charles J. Blanck. 4. J. R. Holliday. 5. E. W. Depenthal. 6. Louis G. Myers. 7. John Stahl. 8. Arthur Morgan. 9. A. S. Blanchard. 10. Mrs. Arthur Morgan. 11. Mrs. A. S. Blanchard. 12. Willis D. Leet. 13. J. Roy Long. 14. Walter E. Sweeting. 15. Mrs. George Sebold. 16. George Sebold. 17 and 18. Mr. and Mrs. W. P. Thiebault. 19. Mrs. Joseph White. 20. Joseph White. 21. Mrs. John White. 22. Frank E. Scobey. 23. Mrs. Myda L. Shattuck.

signed to give orderly procedure or formula to local associations in the arbitration of their own differences and provides for appeal to a national arbitration board, if necessary. . . .

"Mr. Reimers proposes this general plan on the theory that it will strengthen local associations, and I am convinced that the removal of disputes from the nebulous regions of secrecy and innuendo will be helpful. He does not recommend the nature of penalties, but rather suggests this important part of the structure be determined by the National board of directors and indicates the form might embrace some of the following:

"A. Demand for apology and reprimand.

"B. Suspension from association for period of time, which would mean suspension from National for same reason.

"C. Expulsion for local and National associations.

"D. Publication of decision in *The Furniture Warehouseman* and in general letter to members."

In recommending this plan in principle, subject to such modifications as wisdom might dictate, Mr. Bateman commented that his paper was not presented "in a spirit of pessimism," as "The sun still shines and we are a big and happy family of co-workers in a common cause of business progress."

Mr. Reimers presented for consideration a "Code of Standard Practice" which he suggested be submitted to the National's directors for digest and be issued in final form at some later time. President Blackburn said it might be turned over to a special committee for analyzing meanwhile. John G. Neeser, New York, moved that copies be sent to the members in advance of the meeting at which the code would be considered. This motion was adopted.

The code covers relations with employees, relations with customers and the public, and members' relations with one another. In submitting it, Mr. Reimers said in part:

"A notable advance in business ethics has taken place in most lines of trade. Standards of conduct have been in the course of development, some unwritten, while others have reached the stage of definitely written codes.

"Methods that were often considered shrewd and taken as a matter of course generations ago are now generally condemned. There is a decided change in methods and competitive relations. Cooperation is replacing cutthroat competition, warfare and enmity—a great boon to business.

"Keen price competition has no other effect than to reduce profits, stimulate poor workmanship and poor service. It is therefore reasonable to suppose that sensible business men endeavor in every way to bring about as nearly a perfect condition of cooperation as possible.

"There are many men in this industry imbued with highest ideals of business conduct, and it is to these men, actively preaching the gospel of better business methods and practicing them as well or silently acting as an example, that we are indebted for the favorable progress

made in this industry. High ideals are sufficiently rooted in this industry, that it is both feasible and timely to codify what patient experience has proved to be best for the warehouseman and the warehousing industry."

Long Distance Moving

REED J. BEKINS, San Francisco, reporting as chairman of the motor vans and moving equipment committee, suggested "that a considerable amount of money could be saved if this association could compile data on the requirements of all the members and from that data be able to recommend certain standards that would be recognized by the manufacturers of equipment." He pointed out:

"In most instances when trucks are purchased for motor van use it is necessary to lengthen or shorten the frame length or the wheelbase in order to get the proper balance and weight distribution. The cost of this remodeling, which runs anywhere from \$50 to \$150, is generally borne by the purchaser and could be saved if the chassis was turned out at the factory as a standard model to fit our needs."

Trucks for long distance moving were in an experimental stage, Mr. Bekins conceded, and there was a great diversity of opinion as to the proper type to use. Tires, overloading and other fundamentals were touched on in the report.

As chairman of the rates committee, Joseph W. Glenn, Buffalo, pointing out that long distance hauls constituted one of warehousing's major problems, said the generally prevailing long haul rates were a \$1 a mile for the first fifty miles and 65 cents a mile for distances beyond, plus \$15 for loading and unloading. "Are these rates profitable?" he asked. "Do they represent a fair return on the investment?"

Where the customer declared a value above the amount usually provided in regular contract, an additional charge for the added risk should be made by the warehouseman, Mr. Glenn contended, and he presented a schedule of suggested charges. These range from 30 cents a \$100 for the first 100 miles to \$10 a \$100 for 1000 miles. Practical experience had shown, he declared, that the greater distance goods are transported, the more the hazard of loss or damage increases.

Mr. Glenn's paper alluded also to moth fumigation. He said it was difficult to try to fix a standard rate for fumigation.

M. H. Kennelly, Chicago, reporting as general chairman of the inter-city and long distance removals committee, told something of the operations of the association's inter-city removals bureau and predicted success for the new eastern branch. Looking ahead, he said:

"We know that long distance moving without return loads cannot be profitable; and long distance moving with a return load, in the future, can be profitable only if handled with proper long distance removal equipment. Competition and conditions will bring about

changes which we will be called upon to meet. . . .

"Perhaps there are too many of us trying to do long distance work, which makes it impossible for any one company to make a profit from the business. Study your case and see if that is true. See whether you would be better off if you would turn the order into the bureau and receive the very generous commission.

"Some day, perhaps, we may wish to form a cooperative long distance hauling corporation, owned and controlled by our members. If we find this necessary, this bureau experience will help us and assist in the formation of such a company."

Reporting for the central division bureau, Thomas A. Jackson, Chicago, presented figures covering the business done by the bureau for the year ended Oct. 31, 1926.

W. P. Theibault, Chicago, in a paper on "Advertising Inter-City Removals," asked for discussion on five points:

First, what possible benefits would the members derive from cooperatively advertising the bureau? Second, would the increase in volume of long distance moving be great enough to compensate for expense of such advertising? Third, what form of advertising would be most effective? Fourth, how should the expense be met? Fifth, would it be feasible to have this expense met by the revenue received from members in the form of commission for work turned over by the bureau, with members to be assessed in the event of a deficit?

S. S. David, Chicago, believed that cooperatively advertising the bureau would not bring any concrete results but that the members would do better by individually advertising. He suggested individual advertising even by companies not engaged in long distance moving, as they could turn jobs over to the bureau and get commissions, and in this way volume would be built for the bureau.

Walter E. Sweeting, Philadelphia, thought that use of the classified columns in the daily newspapers might, at very small expenditure, build business for the bureau. He believed this experiment was worth trying.

"The Proper Truck for Long Distance Removals" was considered in a paper by A. A. Leonard, Detroit, who said the committee believed the problem of equipment and rates to be so closely allied that one was lost without the other.

"We believe first," he declared, "that a rate must be applied that does not give away any advantage to the rate used by the non-member operators, and second that a truck must be designed to handle the business profitably at that rate. By the application of a proper rate, volume can be increased so that two or three lots can be handled at one time and the total receipts raised by so lowering the rates. We must not suppose that these separate lots will tie themselves in for simultaneous handling. It will require salesmanship to accomplish. A number of concerns are doing this thing at the present time, with very gratifying results."

The most fitting equipment, Mr. Leonard said, would be a six-wheel semi-trailer van with a 1200-cubic foot body, and a four-wheel trailer with a 600-cubic foot body, such equipment, for economy and earning power, to be capable of making an average speed of 35 miles an hour. Mr. Leonard made recommendations with regard to engine size, axle, brakes, wheel types, tires, etc., for such equipment.

Frederic E. Aaron, Philadelphia, eastern district chairman for the bureau, outlined what the easterners were planning along this line.

"We fully realize in the East," he said, "that there is a large volume of household goods transported over the highways by companies who are not members of our association; and we know that it is necessary to meet some very close competition if we expect to continue in long distance hauling. We believe that this bureau for matching loads will prove to be the solution of this difficult problem. If we expect to haul long distance loads at competitive rates and make a profit we must carry pay loads in both directions and reduce the great number of trips on which we return empty to the warehouse."

Forms—Removals Ethics

THE committee on standard forms and estimating—W. H. Protzman, Philadelphia, chairman—suggested an amendment to the association's moving and shipping proposal form, together with a form to be used in long distance moving by members of the inter-city removals bureau. The amendment was adopted as presented and the long distance form was adopted in principle, subject to some textual changes in the conditions printed on it. The long distance form, with the printed conditions omitted, is illustrated herewith.

The moving and shipping form amendment is the addition of a sentence reading "If the goods are not accepted after free time allowed by the carrier has expired, I authorize same to be stored, agreeing to pay all lawful charges." While this change was trivial, Mr. Protzman explained, it would tend to make the form more valuable.

The new long distance form, the chairman pointed out, was designed as a proposal and acceptance combined.

"The contract in no way, as we see it," he said, "affects either the bureau or the association, and it is by and between the member and the customer. The estimate will be signed by the representative for the member; and the acceptance portion, which is addressed to the member, would be signed by the customer."

Mr. Protzman concluded with a detailed explanation of the printed conditions. The changes in these, as suggested from the convention floor, will be submitted to the committee and later to the board of directors for approval.

The problem of one National member removing goods from the warehouse of another was discussed. S. S. David said that in one year's time only sixteen loads had been removed from the five

N. F. W. A. CONVENTION

plants of the David company in Chicago. He believed it should be the practice to permit an out-of-town warehouse to come in and take loads, with proper reciprocal relations. He urged voting against a suggested recommendation that the board of directors consider it unethical for one member to go to another's warehouse in any town and remove goods therefrom, even though, as suggested by Frederic E. Aaron as an amendment, advance arrangements for so doing might be made. C. J. Neal believed such a recommendation was "un-

State	Miss. JOHN DEE	Date	12-25-26	No.
To	Attn. Mrs. 221 1/2 Ave. 4440 St. Paul, Minn.			
Cop.	Perky, H. H.			
As a member of the Inter-City Removals Bureau of the National Furniture Warehouses' Association, we propose to furnish a first class manner, services designated below, subject to the 8 conditions enumerated above:				
REMOVAL TO 221 1/2 Ave. New York.				
QUANTITY	NO. OF PIECES	ITEM PRICE	LOADING ADDRESS	DELIVERY ADDRESS
PACKING				
PRICES				
THE NATIONAL WAREHOUSES 121 NATIONAL AVENUE CITY AND STATE				
By WALTER BLACKBURN				

The National Warehouses
121 National Avenue
City and State
Gentlemen:
I acknowledge receipt of your proposal of December 22nd, 1926 which estimates I accept according to the conditions, specifications, prices, terms, etc., contained therein.
I wish the work done on Date At. Dec. 25th, 1926.
Please make out my remittance based on the amount of \$13,000.00.
ARTICLES VALUED IN EXCESS OF \$100.00 ARE AS FOLLOWS:

ARTICLES	AMOUNT	ARTICLES	AMOUNT
Furniture	\$ 750.00		\$
Valuables	\$ 100.00		\$
Books	\$ 200.00		\$

I enclose herewith deposit in the amount of \$
See Home Arms, John Deo
Attn. Mrs. 221 1/2 Ave. 4440 St. Paul, Minn.

Inter-city removals form adopted in principle at Biloxi meeting

necessary" and would "clutter up the records." President Blackburn expressed opinion that it was unethical to solicit or take goods out without proper notice—that the warehouseman storing the goods should have the right to ask the customer for the carting privilege.

It was voted to table the recommendation.

Estimating—Legislation

THE Kansas City plan of estimating was explained in a paper read by George Leinweber, Kansas City, on behalf of D. J. Perky, Kansas City, the "father" of the plan. The Kansas City warehousemen had found that packing work was being done at less than cost. Mr. Perky said, and the "booklet" plan adopted early in 1926 had made the year "very happy and prosperous" for the local warehousemen. After describing the booklet, he went on:

"The days of approximate estimates, or contracts, in Kansas City are gone. When requested to estimate a packing job a representative, not an estimator, answers the call, and in place of talking price he talks 'service.' The booklet is left with the customer, permitting him, without the aid of the representative, to arrive at an idea of the costs involved. No figures are given by the representative as to the total charges. He is instructed not to go through the house. If the customer wants to know about what his lot of goods will weigh, packed for shipment, he is to tell him, 'We find that household goods, after being packed for shipment, averages about 1,000 pounds to the room, exclusive of piano.'

The public reacted favorably to the plan, Mr. Perky declared, and today the local warehousemen were receiving fair returns, cooperation was stronger than ever before, and the Kansas City association believed the plan to be its "greatest piece of constructive work."

"Now if this proves to be a good system nationally—as good a system as it has proved in Kansas City," he added, "a prospect could walk into your office and say, 'I have a lot of goods in Chicago that I would like to have shipped to Kansas City. Could you tell me about what it would cost?' You would reach into your desk, pull out the Chicago booklet, and hand it to the prospect, saying, 'You know better than I the amount of goods you have. Check the list with this packing schedule. The rate from Chicago to Kansas City is ... per hundredweight. Goods, after packing, weigh about 1,000 pounds to the room. Total it up and you will have a good idea of the cost.' Sell the prospect a packing job for some Chicago warehouseman.

"It eliminates shopping. In many cases we have mailed the booklet and received the order a day or so later by phone. Inquiries on packing goods already in storage are easily handled by mailing the booklet, which is self-explanatory."

In ensuing discussion George Sebold, Elizabeth, N. J., said warehousing was being watched today more than any other industry and he predicted that city by city warehousing would have books giving moving prices. Daniel P. Bray, Kansas City, thought that if other communities tried out the Kansas City plan for a year it would be universally adopted. The Kansas City men had an opinion from attorneys that the plan did not conflict with anti-trust statutes, he said. A. V. Cresco, Kansas City, said the plan had taken the weapon of price-cutting from the estimator and made him a real salesman.

Julian M. Gibson said the St. Louis warehousemen were having practically the same experience with their booklet, although St. Louis had found that the Kansas City average prices were lower and St. Louis had revised them.

Reporting as chairman of the legislative committee, William T. Bostwick, New York, said transportation seemed to be the important subject to consider at this time. Envious eyes of politicians and legislators had turned to the automobile field as a fertile one for taxation, he declared, and "such an attitude is enough of a warning to us all to caution us to be prepared to stand up for our rights or else be swamped by unfair laws and confiscatory taxes." He cited what he said appeared to be four theories of automobile taxation:

1. No special taxation whatever for motor vehicles—a theory which regards special levies on the motor vehicle as uneconomic and unfair.

2. Special taxation of the motor vehicle to pay everything—going to the other extreme as compared with the first.

3. General taxation for construction;

special taxation of the motor vehicle for maintenance—calling upon vehicle owners to pay special taxes to maintain improved highways.

4. Adjustment of general and special motor taxation on basis of use of motor funds for such highway improvement as does not constitute an unfair burden on the individual motorist—a theory which, steadily gaining ground, holds that the amount of special taxes levied against the individual motor user shall not constitute an unfair burden.

This fourth theory if properly administered should not work any hardship, Mr. Bostwick contended.

Analyzing existing taxes, the chairman found that licenses vary from \$10 for small trucks in some States to \$1,125 in one State for trucks with a capacity greater than seven tons. He presented information regarding taxes and fees in the various States and told what the States did with the funds—New Mexico, for example, giving \$15,000 of its fund to the erection of fish hatcheries, "probably on the theory that New Mexico needs brain food." He mentioned also various State laws of regulatory character, affecting not only motor vehicles but other phases of warehousing. Alluding to State control, he said:

"Better keep away from State control and run your own business. Our business is not large enough or important enough to the public to receive the attention which it must from State control, and the inevitable result will be that the annoying and troublesome parts of such control may be followed up while the parts such as supervision of competitors—namely, the helpful part of the law—will be overlooked."

After mentioning pertinent Court decisions, Mr. Bostwick said:

"While a decision in one State has no legal effect in another, still it has distinct value in showing the trend of thought. For some time I have believed that an indexed record of Court decisions throughout the United States in matters of our industry would be of inestimable value to the trade at large. This idea had also been in the mind of Mr. Reimers, and this committee hopes that with the aid of Mr. Reimers's office a start can be made in this direction. To have such an index of real value will need the cooperation of everyone and your committee is hereby formally requesting each of you to send in all decisions which you may think of value."

Publicity—Advertising

WHAT the publicity committee has in mind during the coming year was explained by the chairman, Morrison C. Wood, Chicago, who said that five plans were evolved to work on:

1. Direct advertising—"any form of advertising reproduced in quantities by and for the advertiser, and by him or under his direction issued direct to definite and specific prospects, through the medium of the mails, canvassers, salesmen or otherwise." The advantages of this form, he explained, were that it was direct, timely, elastic, selective, economical, personal, and possible to check as

to results. Dummies of envelope stuffers had been prepared for the committee, he said, and in due time these would be submitted to the membership for sale. The texts carry such titles as "This Business of Taking Care of Household Goods"; "Are You Going Away?"; "Responsibility"; "Moving"; "But—After the Wedding," etc.

2. Holding a contest, through *The Furniture Warehouseman*, the association's official organ, to obtain five-minute talks, of human interest character, on warehousing, for delivery at civic meetings and possibly by radio.

3. A contest for an association slogan—something as psychologically significant as "Say it with flowers" and "Save the surface and you save all," etc.

4. Creation of a new department, "The Ad Critic," in *The Furniture Warehouseman*, for constructive criticism of members' advertising and of advertising in general.

5. Creation of a central publicity bureau for the dissemination of news about warehousing.

The first four plans are in operation. The fifth, Mr. Wood explained, "is to have a representative of this bureau in every city, who will see to getting any items of interest relative to the industry into his local papers; either something that has happened in his own town or something that has been prepared and forwarded to him from the National's office." A clipping service would be subscribed to, to aid in spreading the industry's news. The publicity bureau would be under the supervision of Mr. Reimers and Mr. Wood. The chairman believed such a bureau could be of inestimable benefit to the industry as a whole and to members individually and "make the public more conscious of the business of caring for household goods and bring about a better appreciation of the lengths to which the warehousemen go to serve the public."

While the committee had no definite recommendations to make with regard to national advertising, Mr. Wood thought it would become a reality at a not far distant time. Such advertising would set the industry ahead ten years and build business and profits, he declared.

S. S. David analyzed the cooperative educational advertising campaign which the Illinois Furniture Warehousemen's Association conducted some time ago and said he believed it paid, and he agreed with Mr. Wood that the time was getting closer when the N.F.W.A. would put on a campaign nationally. Martin H. Kennelly said the Chicago campaign had been suspended only and would be revived.

A paper on "Outdoor Advertising" was presented by C. C. Temple, San Diego. The same paper had been read at the Kansas City convention of the A.W.A. the previous week. It is summarized on page 30.

Traffic

REPORTING as chairman of the traffic committee, David Bowes, Chicago, announced that he had sent to the

highest freight claim officers of the larger railroad systems the N.F.W.A. standard form for use in connection with shipments of household goods and that the replies showed that the carriers approved the document. No objections were offered to the fundamental principle of the form, he said, but several minor changes had been suggested and these would receive attention.

Mr. Bowes cited an instance of flagrant violation of the packing regulations for household goods as "vividly illustrating the futility of taking shipments which are not properly prepared in accordance with the tariff regulations," and he urged that cases of this kind be reported to the committee.

A. L. Green, Chicago, special representative of the freight claim division of the American Railway Association, was unable to attend the convention. Through Mr. Bowes he said that figures were not yet ready as to the number of household goods carloads shipped by rail in 1926.

"Our claim payments figures, however," Mr. Green wrote, "show some extraordinary increases. The latest figures show an increase of 16 per cent for August and 12 per cent for September, compared with the same months of the previous year. For the first nine months the total was \$397,096 against \$389,071, up 2 per cent. This is in contrast to a reduction of 4 per cent in claims of all kinds. Why there should have been such a sudden large rise is not understood. . . . If it develops that there has been any let-down in the packing standards of your association, we trust the members will make a sincere effort to do whatever may be practicable and reasonable to restore and maintain proper standards."

As part of the committee report a paper on "Loading and Unloading of Cars" was prepared by Merle Turner, Los Angeles. This was read by Mrs. Myda L. Shattuck, Hollywood, Cal.—the first time a woman has taken part in the National's proceedings. Mr. Turner in his paper gave detailed instructions as to the proper way to load and unload cars of household goods.

Also as part of the traffic report was a paper, "Get the Money," by Ernest T. Chadwell, Nashville, who urged warehousemen to get payment in advance when shipping household goods, declaring this to be "the only safe procedure." He added:

"The best way to lose your customer entirely is to extend undue credit, for where a customer owes you for more than one move he will invariably patronize your competitor and pay cash while your account still remains unpaid. There is nothing which is more productive of claims for damages than an unpaid moving bill."

Discussing this subject, C. J. Neal asked that if the system of getting the money in advance became universal, what was going to become of the National's system of reciprocity? The system of correspondent-warehouses would be torn down, he declared.

S. S. David favored getting the money

first on long distance removal jobs; or, failing that, that the drivers be instructed to get payment before finally delivering the goods.

The traffic committee's report was concluded with a paper on "Rates and Classifications" by M. J. Murray, Chicago, read by Herbert N. Bragg, New York, and covering household goods and emigrant movables. Mr. Murray called attention to a change which had been proposed in the wording of the emigrant movable description in Consolidated Freight Classification No. 4 and said that if adopted it would substantially increase carload rates on household goods; this in turn would, he declared, decrease household goods shipping and result in loss of cartage and packing revenue. The committee was doing "everything in its power to prevent the change," he said.

Damage claims caused by acid leaking from radio batteries included in household goods shipments were increasing and were becoming more difficult to settle, Mr. Murray said, and members should instruct their employees to drain the batteries prior to shipping.

Construction—Cost Accounting

A chairman of the committee on warehouse construction and operation, Robert B. Hall, Washington, D. C., discussed this problem from the standpoints of selection of site, lay-out, handling, structural material, exterior and interior appearance, rug storage and cleaning, fumigation, removable steel van bodies, etc. Emphasizing that "the keynote of business today is without doubt service," Mr. Hall said:

"I recommend for your careful consideration, day in and day out, your contact with the public. If you will study the history of the leading household goods warehouses in this country I believe you will find that their success results more from ability to please the public than from any other contributing cause."

The report of the cost and accounting

N. F. W. A. CONVENTION

committee, A. H. Amelung, St. Louis, chairman, was read by Mr. Reimers. In it Mr. Amelung said the committee agreed "that at this time one of the most important items is cost accounting of truck operations and especially trucks doing long distance moving work."

Based on an inquiry among N.F.W.A. members, the chairman presented a table of statistics on forty long distance moving jobs in various parts of the country. This shows the costs of gasoline, lodgings for drivers, labor, repairs and other expenses, together with the receipts, net profits, makes of truck, whether there were return loads, elapsed time on each job, the cost per mile, and the percentage of profit.

Mr. Amelung announced that the committee was working out a motor truck cost accounting form which would be recommended for use.

Convention Notes

THE resolutions committee, headed by Walter C. Reid, New York, brought in memorials, which were adopted, expressing the National's sympathy because of the deaths of Scoville Aspinwall, son of Clarence A. Aspinwall of Washington, D. C.; and Charles G. Wightman, who was secretary of the Pennsylvania Furniture Warehousemen's Association.

Subsequently word reached the convention that Arthur J. Clark, president and treasurer of the Premier Fireproof Storage Co., Hollywood, Cal., had died at his home in Hollywood. A resolution of sympathy was adopted. Rodney S. Sprigg, the company's manager, was on his way back to Hollywood, having been called home by Mr. Clark's illness.

The lucky individual in the drawing for the safety saw donated by D. W. Onan & Sons, Minneapolis, was Herman Ewert, president of the Ewert & Richter Express & Storage Co., Davenport, Iowa.

At the banquet the speakers were President Blackburn, who was the toastmaster; J. Edgar Lee, Chicago,

newly elected president of the American Warehousemen's Association; and Charles S. Morris, Floyd L. Bateman and E. B. Gould, the National's past presidents. Morrison C. Wood gave an imitation of Will Rogers, and Mrs. David V. Murdoch of Pittsburgh rendered several vocal solos.

Warehousemen on the train from the A. W. A. convention in Kansas City to the National's meeting in Biloxi each received at breakfast, a copy of a Jackson, Miss., newspaper with a story beginning "Good morning! You are now in Jackson, Mississippi, the fastest growing city in the South," and pointing out that J. P. Ricks, owner of the Ricks Storage & Distributing Co., Jackson, "one of our leading business men," was the National's only director in Mississippi. This was a Jackson Chamber of Commerce stunt.

K. K. Meisenbach, president of the American Transfer & Storage Co., Dallas, arranged a duck hunt for some of the warehousemen, and duck was on the menu at the Edgewater Gulf Hotel the following day. Mr. Meisenbach had previously provided game for delegates on the train from St. Louis to Biloxi.

In the golf tournament the hotel's trophy, a magnificent silver dish, was won by Barrett C. Gilbert, New York, for the best score in the blind bogey event. C. D. Coggeshall, Tulsa, Okla., won *Distribution and Warehousing's*, a Yardsmore driver, by ranking third in the same event. George Shanahan, Pittsburgh, second in this event, took the White Motor Co. trophy; and Herbert N. Bragg, New York, fourth in this event, won the N.F.W.A. prize. The Class "A" N.F.W.A. trophy was won by R. G. Weiss. Other prize-winners were T. Y. Leonard, Arthur Morgan, J. R. Cochran, Marion Neidringhaus, Thomas F. Murray, George Kindermann, Milo W. Bekins, George Winkler, R. B. Hall, S. C. Blackburn, B. Brook, James M. Walker, Daniel P. Bray, Ralph Wood, A. H. Laney, William R. Wood, Arthur A. Leonard and J. P. Ricks.

Your Federal Income Tax Is Due This Month

J. K. Lasser, C. P. A.

Specialist in Accounting, Budgets and Tax Procedure,
Will Answer, Without Cost, Questions from Warehousemen and Shippers on All Phases of This Problem

Send Your Queries, Without Delay, to Mr. Lasser, Care of
DISTRIBUTION and WAREHOUSING
and Get the Answers Immediately

The Missing Element in Elastic Warehousing*

***"The Idea of Multiplying Spot Stocks Is Growing
and Should Grow"***

By JOHN SIMON,
President, National Distributors' Association

THE public warehouse is an indispensable link in economic distribution for many shippers of nationally used goods, but there is a missing element in mobile warehousing, and that important ingredient is team work—horse sense cooperation between the manufacturers' sales and shipping and traffic departments and the public warehouse executive.

The days of vituperation, serious misunderstanding and continuous bickerings are happily disappearing, but if we are honest with ourselves we must admit that the potential benefits—the cold dollars and cents value—of merchandise warehousing have been utilized by but a small percentage of shippers.

I am not going to weary you by going all over ground well covered by men more able than myself. I hope, however, to contribute my mite of practical helpfulness to this meeting, and will begin by telling you what the National Distributors' Association has found out in the past year.

We have found that the mechanics of distribution on the part of the manufacturer kept pace with the progress of small order spot stock demand. That while a great number of shippers have increased their use of public warehouses, only a small percentage have grasped the possibilities which lie in what I will call planned warehousing, and the additional profits which constantly would and should accrue to the shippers who use such merchan-

dise pivots and to the limit of their capacity to serve them.

In justice to many shippers this need of gearing the sales machine to quick-turnover demands has come upon them so suddenly that they are a little confused. They appreciate the need of having good—often intensified—distribution, but they still want their branches or their jobbers, or both, to bear the burden of distribution to dealers, etc., and are loath to deal direct with the problems of multiplying local stocks.

Too many of them hold to the old idea of the central big-city warehouse, instead of having from ten to twenty stocks to cover the territory under changed methods of retail buying and selling.

Like the old-time general who has won all his battles under flat-country conditions, they would send infantry in solid formation against scattered snipers in the hills. If merchandise is not mobile today, it might as well stay at the factory.

This idea of multiplying spot stocks—at least for those who can use the public warehouses to advantage—is growing and should grow. The National Distributors' Association is trying to help it along. I can only help so fast, gentlemen, because it is limited in membership as yet, and it can grow and be increasingly helpful to both shipper and warehouseman only as soon as some misapprehensions are cleared away.

The Man Who Sold Holes

ONE phase of shipper-warehouse cooperation which has been bothering me was cleared up the other day as I read a variation of an old story called "The Man Who Sold Holes."

The seedy street hawker had a patented small auger and the business end of the tool could be made to rotate at great speed by moving a worm-lined reel up and down the stem or handle. It would make—as it was proven—good, clean perforations very quickly, but the

initial efforts to make sales met with stolid indifference—the crowd would not warm up.

Watching the hawker was a raw-boned Vermonter on his annual trip to New York, and as he started for a restaurant he edged up to the itinerant salesman and said in an undertone, "Sell holes, brother—sell *Holes!*" The man grinned and, as the idea sank in, shut up his bag and was off like a shot.

When Asa got back from his visit with Mrs. Childs, there was the vendor boring holes in a chunk of soft pine. He didn't open his mouth—just let the holes do the talking until he had a good crowd, then:

"There you are, gentlemen; that's

what this little fellow does, and you can see how he *does it*."

He sold six in three minutes—and all because he sold the holes *first*!

Just a new twist to the sales appeal will do wonders at times, and very often the idea will go over big just by turning it around.

Gentlemen, you warehousemen must stop offering storage and service and sell *outlets*. The N. D. A. must stop trying to market cooperation and sell an idea!

Sell the N. D. A. idea which advocates planned warehousing, which in turn benefits both shipper and warehouseman and so makes self-evident the value

*This paper is part of the records of the Kansas City convention of the American Warehousemen's Association in January. Mr. Simon was prevented by illness from delivering the address in person.

of the National Distributors' Association to Both!

N. D. A. Growth Assured

I BELIEVE, as I never did before, that the N. D. A. can do what no other organization can do to aid in crystallizing the idea of planning warehousing, and that within five years you members of the American Warehousemen's Association will concede that our association has a definite economic field to itself. That, acting as a third party, it can not only help to iron out misunderstanding and to promote harmony and team work between shipper and warehousemen, but successfully "sell" the idea of multiplying spot stocks at public warehouses to hundreds of shippers. Many like the idea in the abstract already, but they must be told how to adopt the right plan without turning things upside down.

Until recently our letters of solicitation have been answered something like this:

"We can see that the N. D. A. has a definite field of usefulness and if we should later decide to use public warehouses at all generally we will then consider membership."

That little "if" hurts you as much as it does us, for it indicates that, with all the splendid educational work done by the A. W. A., hundreds of shippers of nationally used products do not as yet have a clear picture of how to use public warehouses at a profit over the way they are now doing things.

The active heads of industry do realize, however, that production is now a detail and distribution the heart of the problem of making money. If, then, we can get Mr. Executive to see that the dollar saved on raw materials and production is worth about 19 cents as compared with the *Dollar Added to the Net on Spot Goods*, we will have turned our sales argument around so that shippers will come to us for help in problems of wiser physical distribution.

That will be selling what the tool does before we sell the tool, which is as it should be—and incidentally the bet the N. D. A. has overlooked.

Finding the N. D. A. Niche

THE National Distributors' Association has been handicapped by a misapprehension on the part of both shipper and public warehouseman as to its purpose and scope. To many firms, or at least their traffic heads, it has been just "another association." They have confused it with traffic clubs, traffic service bureaus, National Industrial Traffic League—even as a sort of offshoot of the A. W. A.

Standing midway between the shipper and the public warehouseman for a long time it could present no definite picture of what the public warehouse offered the shipper or what the shipper (less a few N. D. A. members) wanted from the public warehouse.

Just as some of you gentlemen have had to learn by actual experience how to render good pool car service and still

ELASTIC WAREHOUSING

break even financially (if you did), so the N. D. A. has had to feel the way and grow into an enlarged yet definite conception of how it proposed to function in a field all its own. It had to await a certain recognition of mutual needs between shipper and public warehouseman before it could visualize a clear path for itself.

This path is becoming more defined

Merchandise Must Be Mobile

TOO many manufacturers today, even though appreciating the need of having good distribution, "hold to the old idea of the central big-city warehouse, instead of having ten to twenty stocks to cover the territory under changed methods of retail buying and selling," Mr. Simon points out in this paper. He continues:

"Like the old-time general who has won all his battles under flat-country conditions, they would send infantry in solid formation against scattered snipers in the hills. If merchandise is not mobile today, it might as well stay at the factory.

"This idea of multiplying spot stocks—at least for those who can use the public warehouses to advantage—is growing and should grow. The National Distributors' Association is trying to help it along."

Just how the N. D. A., of which Mr. Simon is president, is "trying to help it along" is here told by the author, who is manager of branch distribution of the Keystone Steel & Wire Co., Peoria, Ill.

and I believe you will concede this when we are ready to launch the N. D. A. idea of *Planned Warehousing*.

Practical Educational Work

TO the end that we may help to supply part of the missing element in elastic warehousing, the N. D. A. will shortly inaugurate an educational campaign which should go far and be helpful to your association as well as our own. We have prepared as units in the campaign two booklets—one for the major executive of firms who use or should use public warehouses, and the second for his traffic manager. In both books we have laid all the cards on the table.

While we have naturally stressed the growing importance of the N. D. A. and the value of affiliation with it, both booklets strongly advocate the use of the public warehouse and cannot help but increase the prestige as well as the business of well-managed warehouses. I might say frankly that the N. D. A. appreciates that it can expand in membership and in usefulness to the shipper only as it helps its members to use the public warehouse to maximum advan-

tage; this we have admitted in both booklets.

We have told the major executive that:

"Someone else makes the policies that shipping and traffic heads must carry out. If added net profits in wiser distribution are a sufficient magnet, officers higher up must get into the picture, at least to the extent of making possible the trying out of new ideas and methods in physical distribution."

We have told both the major executive and the traffic executive that one reason for the disagreement between shipper and public warehouseman was the fact that modern public warehouse distribution was far from being a purely traffic problem. That a really new and sound merchandising idea was more important than the product itself—so bitter is the battle for outlets and for a share in the national spendable wage.

In other words we have diplomatically but firmly revealed the difference between a thorough grasp of planned warehousing and the somewhat muddled or incomplete conception of it on the part of many shippers—from the president's chair to the shipping platform.

These books ought to do their share in helping us uncover the missing element in flexible warehousing. If they start a controversy, it will have constructive results. They are only two of several units in N. D. A. enlarged educational work.

Ball Bearings for Team Work

I AM not yet ready to give you all of what I conceive planned warehousing to be; but I can say that, when we have worked out our end of it, it will do much to put team work between shippers and warehousemen on ball bearings, at least so far as N. D. A. members are concerned. Many shippers, of course, cannot change things over night. They have their sales and advertising plans worked out a year in advance, at times, and some have big warehouse investments of their own. But once they can be given a clear picture of what planned warehousing will do toward giving them a shipping-edge in these days of bitter competition, they will fall in line; yes, scramble to get aboard of the right idea.

Let me give you something to turn over in your mind when you have reached home and have a chance to digest all you have learned at this meeting.

Some years ago one of our well known short roads in the East embarked upon a five-year betterment campaign which startled those who did not know that a divorce was pending between the carriers and their coal holdings. This road had already had a full treasury and all earnings beyond a certain percentage were supposed to go to certain sources of taxation. The road built cut-offs and viaducts that cost a million dollars a mile, far from cities; it enlarged tunnels, laid down 120-pound rails, screwed these rails down to treated red-oak ties. It completed the rock-ballasting of every mile of its double track road, and oiled things rustable on top of that. It bought

(Concluded on page 57)

Here Is a Summarized Account of the A.W.A. Convention in Kansas City

***What Took Place at General Sessions and the Merchandise
and Cold Storage Division Meetings Is Told***

By KENT B. STILES

ON these pages is presented a somewhat more detailed report of the thirty-sixth annual convention of the American Warehousemen's Association, held at the Kansas City Athletic Club, Kansas City, Mo., on Jan. 10 to 13 inclusive.

A brief account of what took place was published in the February issue of *Distribution and Warehousing*. In that story the features were presented in summarized form only, as the February issue was ready for the presses about the time the convention adjourned.

This month's issue gives further information regarding the proceedings, except that very little of the information published in February is here repeated. Accordingly the account that follows should be read in conjunction with the earlier report.

General Session

KANSAS CITY'S mayor, Albert I. Beach, greeted the delegates at the opening of the general session. Local members, he said, had helped better the business of Kansas City, mentioning particularly Daniel P. Bray, who, "though of opposite political faith is always on the right side"; D. S. Adams, who handled the mayor's political campaign; and S. C. Blackburn, president of the National Furniture Warehousemen's Association.

Gardner Poole, Boston, in his report as retiring president, touched on business conditions and forecast a prosperous year for the industry. These phases of what he said were published in the February issue of *Distribution and Warehousing*. In addition to those, Mr. Poole reviewed the year's committee activities and associational work, and outlined, as some of the things ahead, the following:

1. "Publication of a new edition of the pamphlet 'Warehouse Receipts as Collateral.' The original edition is practically exhausted and there is still a considerable demand for it."

2. "Publication of a list annually, showing the officers and committees of the whole association with their addresses and business affiliations for the convenience of and as a means of ready information to members and others."

3. "Publication annually of a list of members for distribution to storers and distributors, with key index showing the special lines handled."

Alluding, in conclusion, to the convention, Mr. Poole said:

"It is through the exchange of ideas that man progresses and development follows. Ideas have built the progress of the world, and any industry which possesses real merit and economic value to mankind will always find it possible to build itself up on these foundations. To maintain this association, its purposes, and its ideals, is your responsibility. Let your enthusiasm and loyalty reflect the glories of the industry, its accomplishments, its achievements, its importance in the life of the nation."

Charles L. Criss, Pittsburgh, general secretary, in his report reviewed the association's progress during the past twelve years—the span of time since the American previously convened in Kansas City—and gave details regarding the association's activities during 1926.

The report of the Central Bureau committee was read by William B. Mason, Providence, R. I., on behalf of the chairman, T. E. Witters, Baltimore, who was absent. The report included a letter from the American Bankers Association to the Clearing House Association urging the latter's members to use the standard warehouse receipt.

On behalf of Clarence A. Aspinwall, Washington, D. C., general treasurer, Joseph W. Glenn, Buffalo, presented the articles of association of the Council of Warehousemen's Associations—the A. W. A. and the N. F. W. A. These, unanimously adopted, are published in full in this month's "With the Associations" department.

Mr. Poole appointed as the nominating committee R. V. Weicker, Denver, chairman; W. B. Mason, Providence; W. I. Ford, Dallas, and P. L. Smithers, Jr., Minneapolis; and as the resolutions committee, Willard W. Morse, Minneapolis, chairman; H. F. Hiller, San Francisco, and R. H. Switzler, St. Louis.

Delegates from various parts of the country summarized local business conditions. F. R. Long, St. Louis, said that while there had been seemingly 76 per cent occupancy of available space, actual measurements and tonnage records disclosed only 65 per cent. In Jacksonville, according to H. C. Avery, warehousing was in good shape, with business better in 1926 than in 1925. The same situation prevailed in Toronto, due to more careful watching of costs, C. F. Basil Tippett reported. Donald G. Bates, Portland, Ore., said the natural trend there was to get more into distribution, either from warehouse or from team tracks as manufacturers might prefer; crops were good, bank deposits were increasing, and money was cheaper. For the central northwest States, Willard W. Morse, Minneapolis, said warehousing's peak was in 1921-22 and its low spot in 1925, and that warehousing had now turned the corner and there should be an upward trend in 1927, prices having been readjusted and stabilized.

At the final general session the resolutions committee headed by Mr. Morse brought in three memorials—one acknowledging the courtesies extended to the delegates by Kansas City's warehousemen; one of eulogy regarding mem-

Snapshot at Kansas City Convention of A. W. A.



1. S. J. Beauchamp, Little Rock, Ark., and W. W. Morse, Minneapolis. 2. This group includes Mr. and Mrs. Julian M. Gibson, St. Louis; Mrs. S. C. Blackburn, Kansas City, and C. C. Stetson, St. Paul. 3. This group includes William E. Hague, Columbus, and Willis D. Leet, Chicago. 4. This group includes Sidney A. Smith, Chicago, and John A. Groves, Kansas City. 5. S. C. Blackburn, Kansas City, president National Furniture Warehousemen's Association; A. J. Walker, Chicago, and P. J. Cassidy, Chicago. 6. C. C. Temple, San Diego; Henry F. Hiller, San Francisco; E. V. Sullivan, Philadelphia, and Donald G. Bates, Portland, Ore. 7. Col. N. H. Bannister, executive secretary Texas Warehouse & Transfermen's Association, and C. F. Basil Tippett, Toronto, president Canadian Storage & Transfermen's Association. 8. Charles L. Criss, Pittsburgh, general secretary A.W.A.; William H. Douglas, New Orleans; Col. P. L. Gerhardt, New York, president merchandise division A.W.A.; R. V. Weicker, Denver. 9. C. C. Stetson, St. Paul, and G. W. Orr, Danville, Ill. 10. Harry D. Crooks, Chicago. 11. C. C. Temp'e, San Diego. 12. H. E. Burch, Pueblo, Colo.

bers who died in 1926; and the third expressing sympathy to Clarence A. Aspinwall because of the death of his son, Scoville.

The revised by-laws, as previously adopted by each division at its own session, were unanimously approved. After announcement had been made of

the results of the divisional elections of officers, as elsewhere set down in this report, the nominating committee headed by Mr. Weicker brought in its report and the following general officers were elected:

President, J. Edgar Lee, Chicago, president of the Currier-Lee Warehouse

Co., Chicago, and of the Lee Terminal & Warehouse Corporation, Tampa, Fla.

Vice-president, H. C. Herschman, president of the Terminal Warehouse of St. Joseph, Inc., St. Joseph, Mo.

Treasurer (reelected), Clarence A. Aspinwall, president of the Security Storage Co., Washington, D. C.

Bids for the 1927 convention were received on behalf of New Orleans, Detroit, Norfolk, Memphis, Boston, Dallas, New York, Baltimore, Washington, Chicago, Cleveland, Columbus, Montreal, Toronto, Cincinnati and southern California.

Merchandise Division

OPENING the sessions of the merchandise division, J. Edgar Lee, the division's president, declared the division was functioning satisfactorily, and that it would appear from available information that with few exceptions the members had been favored with a larger volume of business in 1926 than during several previous years. Alluding to "certain developments in our industry," Mr. Lee said:

"We refer especially to the construction of large modern terminals, either already constructed or in the process of construction, in certain of our large cities. It would indeed be quite impossible to visit one of these modern terminals, constructed at a cost of perhaps several million dollars, scientifically planned for the economical handling of merchandise of all kinds, equipped with all the latest labor-saving devices and practically fireproof, without feeling a sense of pride in the fact that our industry has been able to interest men capable of financing such projects. It would appear that these men who are investing such large sums in these terminals must feel there is a real necessity for them and that the necessary volume of business is procurable at rates commensurate with the service to be rendered.

Judging from their past experience, much apprehension is felt by some warehousemen, who have been operating in plants constructed at a fraction of the cost per square foot of these terminals, that the present day rates or tariffs are not sufficiently high to make the proper returns on these investments, even should the volume be procurable. It is needless to say that the operation of these several plants will be watched with keen interest by the members of this organization."

The past year's greatest achievement for the division was the Department of Commerce's approval of the standard contract terms and conditions, Mr. Lee believed, and as a result "There is no further necessity for any warehouseman to offer an apology" when inclosing these along with a rate quotation to a prospective customer.

Commenting on the many thousands of miles of traveling by the division's representatives—Wilson V. Little, Chicago, executive secretary; Chester B. Carruth, Chicago, actuary, and George A. Rhame, associate editor of *The Merchandise Warehouseman*—in establishing contact with State and local associations, Mr. Lee stressed the value and importance of this work and said it would be continued. He emphasized also that the holding of regional meetings was worthwhile. His report touched on other divisional activities.

Mr. Little and Mr. Rhame gave brief

accounts of their activities during the past year.

"Outside" Competition

M R. CARRUTH, reporting as actuary, commented on letters received from many "outsiders" who, ignorant about warehousing, decided to enter the business and wanted all the information available as to how to go about it. From information picked up during his 12,000 miles of traveling in 1926, he said, the consensus of opinion appeared to be that the business outlook for 1927 was promising. With the country "over-warehoused," warehousemen had three alternatives, he declared — they must cut down space, hustle to create new business, "or bust." Efficiency and economy were essential, he concluded, and warehousemen must establish and maintain a spirit of tolerance and develop the spirit to cooperate.

The recommendations of the Central Bureau Committee—T. E. Witters, Baltimore, chairman—were published in the February issue of *Distribution and Warehousing*. Chief among these is a plan to work out a specimen or ideal tariff. The division's endorsement of the report carried with it authorization to the committee to construct such a tariff.

W. I. Ford, Dallas, led a discussion of the division's Encyclopedia and obtained the pledges of some of the delegates to buy one or both of the volumes.

The reports by Clarence A. Ullman, Peoria, Ill., on membership, and Harry D. Crooks, Chicago, on insurance, and Samuel G. Spear, Boston, on ports and port terminals, are summarized elsewhere on these pages.

"Free Zone Legislation"—touched on also in the summarized reports, elsewhere herewith, by Mr. Spear and Jay Weil, New Orleans—was discussed by R. W. Dietrich, New Orleans, who said that storage rates in New Orleans and throughout other Gulf ports except Houston and Galveston, were the result of railroad competition. A number of railroad representatives being in attendance at the convention, Mr. Dietrich said he hoped it would follow that their superiors would go into this problem thoroughly. He charged that railroad competition was hurting New Orleans warehousemen in connection with export shipments.

Mr. Dietrich read some of the varied storage tariffs prevailing in his city and said that low and unreasonable rates were hurting not alone the warehousemen but the railroads themselves and local business interests as well. "Storage is not the railroads' business—it is the warehouseman's," he concluded.

William H. Douglas, also of New Orleans, believed the railroads would welcome assistance from warehousemen to effect equalization.

G. D. Hansen, Milwaukee, alluded to railroad dock properties there being used by boat lines "at nominal rental" and expressed opinion that the Interstate Commerce Commission ought to be interested to the extent of forcing the railroads to earn their 6 per cent on

investment. He described in detail free storage practices prevailing at lake ports, sometimes for indefinite periods, and he urged that the lake ports be included in any A. W. A. plea to the I. C. C. for relief. He said the lake port warehousemen would be glad to contribute to any necessary funds to finance the movement.

Mr. Spear declared it to be to the common interest of the railroads and the warehousemen to get together so that terminals would be run on a business basis and advance transportation.

A number of the railroad representatives present made brief talks, but most of them admitted they were without authority to promise anything, stating they had come to listen so that they might make reports of what was said.

Harvey C. Miller, Philadelphia, believed that the committee headed by Mr. Spear should take the situation up with the railroad presidents on the ground that the carriers should be getting more revenue, especially as affecting lake ports.

On motion by Mr. Spear the appointment of a special committee was authorized, the committee "vigorously to press the lake situation."

Following the report of the legislative committee—Elmer Erickson, Chicago, chairman—a paper regarding State control of warehousing was read on behalf of J. J. Brady, Fort Dodge, secretary of the Iowa Warehousemen's Association. This was summarized in the February issue.

On motion by Mr. Spear it was voted to send telegrams to four of the industry's veterans who were unable to attend—John L. Nichols, Boston; George S. Lovejoy, Boston; T. E. Witters, Baltimore, and Clarence A. Aspinwall, Washington, D. C. The message expressed regret because of their absence.

A long discussion took place regarding the action of the Department of Agriculture in extending the United States Warehouse Act to include canned foods. It was voted to authorize the appointment of a special committee to hold out to Secretary of Agriculture Jardine that the extension to include canned foods, and other commodities not now licensed, constituted a menace to public warehousing. Details regarding the discussion were published in the February issue.

Reporting regarding forms simplification and the standard contract terms and conditions, Mr. Little announced that in the spring the Department of Commerce would conduct a survey to determine to what extent the forms and conditions were being used; and also as to what forms, if any, were impracticable, so that the industry could concentrate on the forms liked. The simplified forms will meanwhile be sent to all members from the Chicago office, with a questionnaire on the reverse; Mr. Little urged that the queries be answered promptly.

Some 150 warehousemen not members of the A. W. A. had requested the privi-

lege of using the standard warehouse receipt, Mr. Little stated, and had been told that, on application to the A. W. A., the form could be used, but without reference to A. W. A. approval being printed on the form—as is the case with A. W. A. members—although they could use the text indicating that the form had the approval of the Department of Commerce.

A pamphlet was distributed giving the text of the standard contract terms and conditions. On page 3 of the pamphlet appeared a set of local terms and conditions for use in local communities; these are based on the standard ones. The question was brought up as to whether it would be permissible to place the local ones on the reverse of the warehouse receipt, and Mr. Little said a Department of Commerce ruling on this point would be sought, as the banking fraternity might object to it.

H. A. Haring, *Distribution and Warehousing's* contributing editor, was to have addressed the delegates on "Forecast of the Next Few Years in the Warehousing Business," but Mrs. Haring's sudden illness prevented his attendance.

Mr. Lee, expressing his regret because of Mr. Haring's absence, said that Mr. Haring was "continually hitting the nail on the head" in his writings. "He is a most unique and interesting character," Mr. Lee added. "His articles in *Distribution and Warehousing* show that he knows what he is talking about and they are well worth the attention of our members."

Following a paper by C. C. Temple, San Diego, on "Outdoor Advertising," summarized elsewhere on these pages, a paper on "The Reciprocal Plan and Publicity Campaign" was read on behalf of Sidney J. Beer, Los Angeles, outlining how the Los Angeles Warehouse Co. analyzed the Pacific Southwest as a distribution market and sent the summary to 5000 shippers all over the country. The company's survey touched on distribution methods, freight rates, purchasing power, etc., and was sent free, by first class mail. As a result many shippers sought local representation and many of them stored their goods with the Los Angeles company. Looking ahead, the same company is going to help California shippers get local warehouse connections in other cities. All this helped the industry as a whole, educated shippers, and added links to what could be an endless chain of publicity, propaganda and promotion, Mr. Beer contended.

Talking of "Cooperative Advertising," E. A. H. Baker, Denver, declared that much of the business developed by warehousemen some years ago was now flowing into other channels and that many storage executives were beginning to realize this. Not more than 15 or 20 per cent of today's business came from the same sources as formerly, he estimated. He urged the association to undertake such a campaign as the one outlined by Mr. Beer—a national adver-

tising and publicity campaign to educate the public and "create a desire." Mr. Baker believed there would be immediate results from a centralized campaign, as there were thousands of shippers who would be using warehouses today if they knew the industry's story.

Mr. Lee called on Albert Peterson, Chicago, and William A. Sammis, Chicago, and D. L. Tilly, New York, to tell what the warehousemen in those cities had been doing in the way of cooperating with local civic trade bodies.

Mr. Peterson outlined how the weekly magazine *Chicago Commerce* had turned one entire weekly issue over to the local warehousemen, who at a cost of \$1,000 told their service and distribution story, a list of the members of the Illinois Association of Warehousemen being on the back cover and each member buying copies with only his own company's name on the back. Five thousand copies went to trade interests all over the country, and the members believed that they received worthwhile results, Mr. Peterson said.

Mr. Sammis explained how the Kansas City Chamber of Commerce turned an issue of its magazine over to the local warehousemen to tell their story. As one known concrete result, one shipper eliminated seventeen branch houses and is using public warehouses instead. Mr. Sammis expressed opinion that if warehousemen in other communities would work along these lines, the effect would be almost the same as that of a national cooperative campaign.

Mr. Tilly told about the warehousing survey in progress in New York by a joint committee representing merchants and bankers and warehousemen, under the sponsorship of the Merchants' Association of New York.* Mr. Tilly believed the results would be reflected throughout the country—that it would be constructive for the industry generally.

John Simon, Peoria, Ill., president of the National Distributors' Association, had prepared a paper outlining the activities of that organization of sales and traffic managers who route their goods through public warehouses, but illness prevented his attendance. His paper will be found beginning on page 20.

How the merchandise division plans to spend approximately \$7,500 to publish a "Green Book"—a membership directory—was explained in detail in the February issue.

"Statistical Data of the Merchandise Warehousing Industry" was the subject of a talk by Mr. Little, who outlined how the Department of Commerce and the A. W. A., working jointly—if the A. W. A. members cooperate—purposed to assemble statistics relating to warehouse space, tonnage records, etc. This was designed to give the business public information regarding warehousing—information for which, he said, there was a general need. The division had already committed itself to this work, Mr. Little explained, and the Department

of Commerce was prepared to go ahead with it. He believed that the knowledge which could be widespread would tend to avert over-expansion of warehousing through giving figures on space occupied in certain cities, thus protecting existing companies. The biggest piece of resistance to overcome, he pointed out, was apathy or failure by warehousemen to answer direct questions which would be sent to them monthly. Mr. Little distributed copies of the proposed questionnaire form.

The delegates adopted a motion made by Mr. Hansen that the form as presented by Mr. Little be adopted and that the members make every effort to give the necessary information regularly.

A paper by S. A. Smith, Chicago, on "Routine for Handling Damages in Inbound Shipments" is summarized elsewhere.

"Carload and Less-Carload Freight Rates in the Present Freight Rate Structure" was discussed by Mr. Hansen, who urged the raising of rates in the less-than-carload tariffs, declaring that the railroads' profits were to be found in carload shipments.

The division's nominating committee, headed by R. V. Weicker, Denver, brought in a slate which was unanimously approved and the following officers were elected:

President, P. L. Gerhardt, vice-president of the Bush Terminal Co., New York City.

Vice-President, F. R. Long, manager of the S. N. Long Warehouse, St. Louis.

Treasurer, Harry D. Crooks, Chicago, owner of the Crooks Terminal Warehouses, Chicago and Kansas City.

Executive committee members, James C. Brown, Camden Warehouses, Baltimore; E. H. Bacon, vice-president of the Louisville Public Warehouse Co., Louisville; D. S. Adams, vice-president of the Adams Transfer & Storage Co., Kansas City.

Other features of the merchandise meeting were published in the February issue or appear elsewhere on these pages.

Cold Storage Men Reelected Harry C. Lewis President

THE cold storage division of the American, with Harry C. Lewis, New York, the president, in the chair, carried on a three days' study of conditions in this branch of the industry, the subjects being presented in the form of reports, many of which represented considerable research work based in part of questionnaires sent to the division's members during the past year. Mr. Lewis was re-elected president of the division.

One of the vitally interesting subjects was that of public relations in respect to educating the public toward a better knowledge and understanding of the importance of cold storage in the modern scheme of food handling, with a consequent elimination of the deep-seated prejudices against the term "cold storage."

Following the report of Ralph C. Stokell, Chicago, the division's executive secretary, on the subject "Public Rela-

*For details of this movement, see January issue of *DISTRIBUTION AND WAREHOUSING*.

tions," a convention speaker stated that the work of the public relations committee furnished a new advantage to the association's members, in itself justifying the organization's existence and making the payment of the dues well worth while.

Cost studies and their importance to the cold storage warehouse were emphasized and were urged upon the members attending, while some definite experiments in this line were presented and discussed.

A Review of Progress

The application of the United States Warehouse Act came up for consideration, the general opinion being that there would be no advantage to the cold storage industry in being included in the Act. It was, however, suggested by some that to operate under the U. S. Warehouse Act might serve to stabilize rates and sustain them at a proper level.

Mr. Lewis presented the report for the executive committee, emphasizing the increased cooperation which exists among the members of the industry, and between the industry and those groups in closely related lines. Membership cooperation, as evidenced by the interest displayed in letters to the executive office and in the replies to questionnaires sent out by the executive secretary and the heads of other committees, was declared by Mr. Lewis to be on a much better basis than ever before. With regard to the progress made along certain lines of benefit to the industry, the president spoke of the adoption of the standard contract terms and conditions and their approval by the Department of Commerce, adding that he hoped that within the coming year an approved negotiable warehouse receipt form for the division could be evolved and indorsed. Mr. Lewis urged the adoption of some cost finding studies, along the lines set forth in the uniform practice manual known as "The Standardization of Basis for Rates," stating as his belief that a warehouseman's knowledge of his costs of operation would enable him to build his tariffs consistently, fairly and without discrimination.

The steady progress made during the year by the association through its various committees was reviewed by Mr. Stokell, who announced a membership in the division of 127, which is 6 greater than in 1925, 19 new members having been added during the past year, while 13 were dropped from the roster for various reasons. The executive secretary urged the attention and interest of the members in the uniform warehouse receipt, saying that, although the form was not entirely suitable for use by the cold storage industry, only slight changes were necessary to make it satisfactory. It was pointed out that work in this field had not been considerable because a survey of the entire industry was necessary before a revision could be undertaken. Action on this subject was recommended by the secretary if the industry desired to continue enjoying the cooperation and approval of the Department of Commerce on such projects.

With regard to the standard negotia-

ble warehouse receipt, Mr. Stokell expressed himself as regretting that the cold storage division had not seen the wisdom of using the present negotiable form, saying that a prompt action on this subject was imperative if the division would place itself in a favorable position with the Department of Commerce.

Mr. Stokell said that cost accounting was still a stranger to most of the members of the industry, and that a cost system properly designed and operated would, among other things, help get new business, control expenses, and improve the efficiency of the departments of the warehouseman's business.

The work of the public relations committee during the year was reviewed by Mr. Stokell, as chairman, the report containing, in addition, specific recommendations to the members of the industry as to methods of promoting the general understanding of cold storage and the elimination of ungrounded prejudices. Mr. Stokell referred to his report made at the 1924 convention at Houston on publicity, and said that the work of the public relations committee had been directed, during the past year, toward the correction of the present-day misconceived ideas of those who are opposed to or prejudiced against cold storage, and toward the education of the consumer of cold storage products as to the true value of the cold storage warehouse as an essential link in the economic chain of distribution.

It was pointed out that, although some references detrimental to cold storage have appeared in various publications during the year, much material along instructive lines has been published. A series of eight articles appearing in *The Packer* had put cold storage before various groups of storers in a good light. A certain hotel advertisement stated that the hotel was equipped with a 300-ton refrigeration plant, which made possible carrying properly the food products needed, thus supplying a varied menu, with meats that are just right. The Swift & Co. year book states that the public prejudice against cold storage is disappearing, and devotes several paragraphs to a discussion of the wholesomeness of products thus stored, and to the care and precision which is required in the operation of a cold storage plant. Mr. Stokell mentioned the fact that numerous groups from colleges of agriculture, home economics classes and other student bodies, have, during the past year, taken advantage of invitations offered to them to visit and see at first hand the operations of public cold storage plants.

Cold Storage History

Mr. Stokell suggested to the members that, as a means of promoting the campaign, they encourage visits from groups of students and clubs, and arrange displays of food under refrigeration in connection with such visits and food fairs. In conjunction with and as a part of these two projects, the committee suggested the distribution of a booklet or series of booklets, telling of cold storage, its history, economic position,

construction of plants, and pointing out how highly technical is the operation of the plants. Cold storage as a price leveler and friend of the common people would be emphasized, as well as its function as a friend of the uncommon people. It was suggested that the booklet should tell of the large investment in the industry all over the country, and explain why food should be purchased on quality and grade basis without the stress now placed on strictly fresh or cold storage.

In connection with this subject, George Husser, manager of the Kansas City Better Business Bureau, explained the function of these Bureaus in efforts to reduce unfair business practices. He commended the program of the division in its public relations work and urged the members to refer such problems to the Bureaus in their respective towns. Saying that the cold storage division had taken the right course in its campaign of constructive publicity, in gathering information, and in cooperating among themselves, Mr. Husser urged upon them the further step of using the Better Business Bureaus. These Bureaus, according to the speaker, were helpful agencies for the organization throughout the country and could aid materially in eliminating advertising of a discriminatory nature, for it was their aim to have each concern or industry play up its own merchandise, and leave the other fellow's alone.

Handling Costs

Some observations on cost of handling were made by Earle E. Hesse, Chicago, who said that the largest controllable item of expense in a cold storage plant was the one which the industry knew least about—handling. Mr. Hesse said his firm had decided that to keep accurate detailed accounts of costs by lots did not pay, as competitors did not find out their costs, and their charges had to be regulated regardless of costs. However, the experience of this firm, the United States Cold Storage Company, showed that its loss on handling as a whole during the year, including 75,904,000 pounds in and 67,187,000 out, was \$49,783, which came out of what the cold storage man made on the second, third and fourth months' storage. Mr. Hesse said that the direct touch labor amounted to \$44,673, while the non-productive labor, such as inspection, transfer, and cleaning up, was more than \$34,000, the total expense of handling amounting to \$105,735, as opposed to the gross income of \$55,952.

The speaker pointed out that the cold storage industry was never going to get any substantial raise in tariffs until it had conclusive data on which to make its claims.

One afternoon was devoted to reports from the four regional cold storage associations—the Pacific Coast, Minnesota, Missouri, and New York organizations. Cost finding was touched on in all the reports, the texts agreeing on the necessity and desirability of a universal use of cost finding systems. Some comment was made on the reluctance of members in some sections to charge 60 per cent of the administration expense to handling.

In the discussion of general business conditions, Mr. Lewis brought up the subject of new projects in certain parts of the country where space has been adequate, and the high construction cost of cold storage houses, saying that under the present rates adequate return on these investments was impossible.

With regard to transportation, E. M. Dodds, Kansas City, told of the regional shippers' advisory boards, pointing out that in the organization of these boards the warehousing industry had been overlooked. However, at Mr. Dodds' suggestion a warehouse section was organized on the Trans-Missouri-Kansas board, and such sections were now to be added to all the boards. Mr. Dodds recommended the cooperation of the warehousemen with these boards, saying that little difficulties were easily straightened out by talking across a table of arbitration.

The banking committee report recommended and requested the use of the standard contract terms and conditions approved by the A. W. A. and the United States Department of Commerce. A discussion followed the presentation of this report on the subject of the advisability of getting signed notes when advancing freight charges. The members were divided as to the practical and theoretical solution of this problem, which has come up with the refusal of certain apple growers in Washington to sign the notes. It was decided that the secretary should be instructed to advise the Washington apple shippers of their misapprehension with regard to their position, and inform them that under the warehouse Act the warehouseman has a first lien on the goods for freight charges or other money advanced. The apple growers and shippers of Washington finance through the Federal Intermediate Bank of Spokane.

Paul Mandeville, Chicago, secretary of the United States Egg and Poultry Society, explained the activities of the society and urged the support of the members of the cold storage division.

The insurance committee urged the promotion of safety in the plants and recommended physical examinations to discover the presence of hernia before hiring help. Another insurance subject was presented by Garneau Weld, St. Louis, who recommended transit insurance coverage.

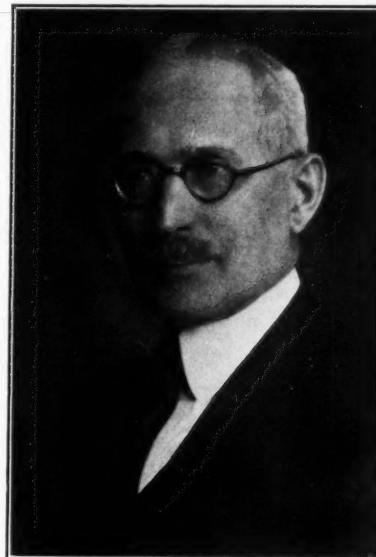
Dr. Mary E. Pennington, New York, as chairman of the investigation and research committee, pointed out that the industry should establish and maintain a research laboratory; but as the cost, which would amount to approximately \$50,000, would be out of the question at present, the committee recommended the establishing of fellowships at certain agricultural colleges, possibly Purdue or Iowa Agricultural College, where trained men could keep accurate records in public cold storage houses, observing the effect of refrigeration on various commodities, and studying these commodities in their laboratories. To be of any value the research must be broad and of unquestioned accuracy, said Dr. Pennington.

A. W. A.—CHAIN MEETING

The committee on simplification of forms and methods presented a suggested form of non-negotiable receipt, of slightly smaller size than the approved form, stating that, although the request for such a form had been only slight, the committee believed so strongly in uniform forms that it was submitting the suggested receipt in spite of the slight interest manifested by the membership.

J. F. Nickerson, Chicago, told the members about the International Institute of Refrigeration, to be held in Rome

Edward Wuichet



Dayton, Ohio, storage executive
reelected president of the American Chain of Warehouses

in September, and of the part which the American Association of Ice and Refrigeration will take in the conference. The transportation of perishable foods under refrigeration is one of the subjects to be given special consideration, according to Mr. Nickerson. The speaker pointed out that, of the fifty nations participating in the congress, the United States could give more information on the practical application of refrigeration than any other country, although Europe had made more progress in the science of refrigeration.

On behalf of the new business committee R. H. Switzler, St. Louis, presented a comprehensive list and discussion of commodities which may be considered possibilities for the cold storage business, the list including such items as canned small fruits, coffee, rubber, motor cars for test in refrigerated rooms, silks, telephone cables, tobacco and a number of others.

The report of the relative humidity experimentation committee, made by George A. Horne, New York, represented an extensive survey made through questionnaires sent to the members of the division, and was the basis of an inter-

esting discussion. A general interchange of observations and experiments made in individual plants followed this report.

A number of additional subjects were dealt with in formal reports, and the open forum which concluded the final session of the divisional meeting gave opportunity to the members to bring up any other topic of general or regional interest.

Mr. Lewis, who is secretary of the Merchants Refrigerating Co., New York City, was re-elected the division's president. Gardner Poole, president of the Quincy Market Cold Storage & Warehouse Co., Boston, and retiring general president of the A. W. A., was elected the division's vice-president. George M. Weaver, manager of the Chicago Cold Storage Warehouse Co., Chicago, was elected treasurer. Executive committee members chosen are Guy S. Lamoreaux, operating executive of the Los Angeles Ice & Cold Storage Co., Los Angeles; S. J. Drapkin, secretary of the New Orleans Cold Storage & Warehouse Co., Ltd., New Orleans, and Nimmo Old, Jr., secretary of the Merchants Cold Storage & Ice Manufacturing Co., Richmond, Va.

American Chain Re-elects Edward Wuichet President

DURING the week at Kansas City the American Chain of Warehouses held its sixteenth annual meeting and re-elected as its president Edward Wuichet, president of the Union Storage Co., Dayton, Ohio. Alton H. Greeley, president of the General Storage Co., Cleveland, one of the Chain's past presidents, was made chairman of the board of directors, the other elected members being Mr. Wuichet; the vice-president, S. M. Haslett, president of the Haslett Warehouse Co., San Francisco; the treasurer, D. H. Van Name, secretary of the F. C. Linde Co., New York City; S. V. P. Quackenbush, vice-president of the Quackenbush Warehouse Co., Scranton, Pa.; Joseph R. Behrens, secretary of the United Warehouse Co., Ltd., New Orleans; Willard W. Morse, president of the Security Warehouse Co., Minneapolis, and John L. Newbold, president of the Merchants Transfer & Storage Co., Washington, D. C. A vacancy was left for an executive representing a member company to be designated in Chicago. O. V. Hukill, New York City, the Chain's eastern representative, was re-elected secretary.

In the absence of Mr. Wuichet, Mr. Greeley presided. All trades were watching distribution costs as never before, Mr. Greeley said, and he urged "solidification" by the Chain members in order to retain their share of business.

Reporting for the eastern office, Mr. Hukill presented an account of its activities during the past year and declared business prospects were bright for 1927.

P. F. Cassidy, reporting as the Chain's Chicago representative, alluded to buying in smaller quantities and said the general opinion by shippers ap-

peared to be that hand-to-mouth purchasing had come to stay, which would mean more handling by warehousemen.

Mr. Cassidy announced his resignation, to join the Crooks Terminal Warehouses, Chicago and Kansas City. He will represent the Crooks organization in the same capacity as he has been serving the Chain for many years. Mr. Greeley appointed Theodore F. King, Chattanooga, as chairman of a committee to prepare a resolution with regard to Mr. Cassidy's leaving, and the committee presented the following, which was adopted:

"Resolved, that the American Chain of Warehouses place on record the fact that it appreciates that the resignation of P. F. Cassidy as its Chicago representative is distinctly a loss to the affiliated member houses because of Mr. Cassidy's recognized tireless energy, his rugged honesty, his obvious sincerity, his constant optimism, his unusual personality and his ability to be a man's man in his contact with the shippers who are the source of the Chain's business. Be it further

"Resolved, that the American Chain of Warehouses, in relinquishing Mr. Cassidy's services to his new field of endeavor, wishes him success, prosperity and personal happiness and that the Chain members believe that their loss at this time will be the gain of the firm with which Mr. Cassidy is becoming identified."

Eddy Succeeds Cassidy

Willis H. Eddy, Chicago, for the past seventeen years associated with the New York Central in traffic and freight positions, was introduced by Mr. Greeley as Mr. Cassidy's prospective successor. Mr. Eddy addressed the members briefly regarding his business career. At a later session of the Chain's meeting it was announced that Mr. Eddy had been re-tained as the Chicago representative.

William E. Hague, Columbus, was chairman of the nominating committee which selected the directors for the new year. The officers were then chosen by the directors.

Gardner Poole Is Presented With Silver as He Retires

ON the evening of the 12th the thirty-sixth annual banquet was held at the Kansas City Athletic Club. D. S. Adams, Kansas City, was toastmaster. Following the invocation by the Rev. James Parnette De Wolfe, rector of St. Andrews Episcopal Church, Kansas City, addresses were made by Gardner Poole, Boston, retiring as general president, and the Rev. Marion Nelson Waldrup, pastor of the Central Methodist Church, Kansas City.

Mr. and Mrs. Poole were presented with a silver service. In presenting it, Willard W. Morse, Minneapolis, a past general president, said:

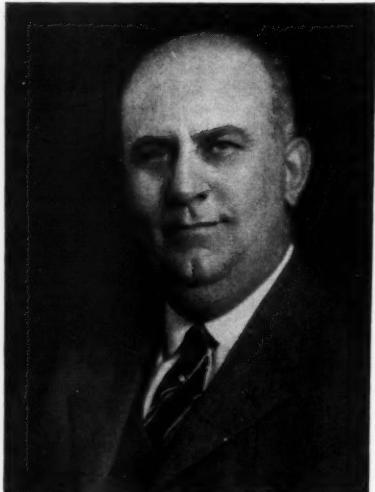
"During the past three years the American Warehousemen's Association has been rarely fortunate in having for its leader one whose clear vision, sound

judgment, calm poise and high character have guided it to new heights of influence throughout the nation and usefulness to its membership.

"Under the wise, helpful and courteous guidance of its beloved president, the American Warehousemen's Association has maintained and increased its traditional weight and standing in the Governmental and business councils of the nation.

"Its voice is heard with respect and attention from coast to coast and from the lakes to the Gulf and in our neigh-

F. R. Long



St. Louis warehouseman reelected president of Distribution Service, Inc.

boring country of Canada and its advice is sought by its members in Cuba, Hawaii and Japan.

"We have come, however, to an hour when our hearts, filled with pride in the accomplishments attained under our splendid leader, are softened with regret as we realize that we must now relinquish our hold upon his time and energy and release him from the burden of the load he has borne so effectively for us during the years of his service as president of this association.

"Many problems have arisen which he has helped us to solve with wisdom and justice. Hours of patient study and helpful counsel have been devoted to our service of which we little realize and for which he has had no reward save the satisfaction of his own conscience in work for others well done.

"Mr. President—as we come to this moment of parting when you are about to lay aside your official duties and responsibilities as the head of this organization, your friends and admirers, embracing the whole membership of the American Warehousemen's Association from Maine to California and from Canada to the Gulf, desire to present to you and your gracious and beautiful wife, whose quiet and uplifting influence has contributed in such large measure toward the wonderful success of your

administration, this token of our esteem and friendship for you both.

"It is our hope that as it finds a place in your home it may often recall to your minds remembrance of the love and admiration of your host of friends throughout the entire warehousing industry of the continent.

"This shining silver is a faint reflection of the brightness with which you have illuminated our lives and its sterling quality a suggestion of the fine and high character of you whom we delight to honor and whom we shall always hold in highest regard and loving remembrance."

F. R. Long Again President of Distribution Service, Inc.

DISTRIBUTION SERVICE, INC., held its annual meeting during the week in Kansas City and again chose as its president F. R. Long, manager of the S. N. Long Warehouses, St. Louis. E. H. Bacon, vice-president of the Louisville Public Warehouse Co., Louisville, was re-elected vice-president and Sidney A. Smith, vice-president of the Currier-Lee Warehouse Co., Chicago, was re-elected secretary and treasurer.

To Enlarge Personnel

Comprehensive plans were made to enlarge the personnel to cover territory out of the organization's three offices. Three men will operate out of the Chicago office, one of them to have his headquarters in either Cleveland or Columbus. Three men will work from the New York office. One man will be stationed at the San Francisco office. This will mean a staff of seven men instead of three.

Reports showed that "DSInc" now has twenty-six member houses. It is planned to increase this to thirty-three, the additional seven to be located in strategic cities of importance where the organization is not now represented.

At the Kansas City meeting virtually every member company had a representative and it was agreed that the gathering was the most successful one in the organization's history.

Merchandise Membership

The report of the merchandise division's membership committee—Clarence A. Ullman, Peoria, Ill., chairman—showed that 426 companies were identified with the division at the close of 1926. Fourteen branch house affiliations brought the grand total up to 440 members.

"I believe that some plan can be worked out which would increase the membership," Mr. Ullman said. "The numerous State and regional associations are developing a great deal of enthusiasm and close relationship. If we could commandeer the services of the secretaries in our own behalf it is my belief that we could secure the application of every responsible merchandise warehouseman of the United States."

Insurance Protection for the Merchandise Warehouse

ADVICE on the various kinds of insurance which the merchandise warehouseman should carry was given by Harry D. Crooks, Chicago, as chairman of the merchandise division's insurance committee. He suggested that local warehousemen should at their meetings discuss compensation rates from time to time and make comparisons to determine "if one warehouseman is being taken advantage of."

As among the types of coverage which should be carried Mr. Crooks included the following:

Sprinkler leakage—for legal liability in a sprinklered building, and also for protection in case of collapse of sprinkler tower.

Error and omission, where several plants are operated—for protection in the event a mistake is made in advising customer of location of merchandise.

Tornado and windstorm.

Boiler.

"Another form of insurance to which the warehouseman should give consideration," Mr. Crooks continued, "is that that would protect him for his legal liability in connection with cars of merchandise that might be placed away from his premises, due to congestion on his switchtrack, and which have been constructively placed by the railroad company. When cars are so placed the railroads claim that their liability is only as a warehouseman. Our customer consigning cars to the warehouse feels that they are being unloaded promptly and are not being held on tracks other than those adjacent to the warehouse. I have been informed that in any event the railroad company is responsible, but I doubt this if the cars have been constructively placed. This insurance can be purchased at a small cost and is very good protection."

"I have been reliably informed that if a firm's cartage is done by an outside firm, and if an accident takes place and the company doing the handling is not responsible, or is not protected by insurance, the warehouseman might be held liable; therefore it is wise to deal with only those who are responsible or are protected with liability insurance."

"Where our solicitors use their own automobiles in calling on the trade the warehouseman should see to it that he is protected against any claim that might arise because of the operation of these machines while the solicitors are in our employ."

"Another important matter has to do with the switchtrack agreement that the warehouseman is usually called upon to enter with the railroad company. If you will read this contract carefully you will learn that the railroad company ask you to release them from all damages caused by fire or accident. If your warehouse—the building, not the contents—was destroyed by fire caused by a spark from a locomotive, the insurance company under the terms and conditions of their policy would have the right of action

A. W. A. CONVENTION

against the railroad company; but what would be your position if you already had released the railroad company from liability? For your protection the insurance company should be informed of this contract that you have entered into with the railroad company, and for additional premium of two or three cents they will write the policies without what they call the subrogation agreement, or, in other words, the insurance company waive their claim against the railroad company."

A form of coverage recently placed on the market in Chicago, Mr. Crooks stated, is called consequential insurance. He explained:

"This protects the warehouseman after the building has been restored and is usually written for a term not to exceed one year. To make this plain, use and occupancy insurance protects you from the day of the fire until the building has been restored; but it is quite possible, after the building has been restored, that the space is vacant, and you may be several months filling this space. Consequential insurance would protect your profits from this space until such time as this space was earning as much as it did prior to the fire and up to a period of one year."

"How Loaded" Section of Damage Form Is Discussed

IN a paper on "Routine for Handling Damages in Inbound Shipments," read before the merchandise division by Sidney A. Smith, Chicago, it was emphasized that warehousemen should not handle loss and damage claims for the shippers but should confine themselves to statements of fact and the furnishing of such papers and reports as were necessary to prompt adjustment of such claims.

Alluding to the standard form for presentation of claims, a document approved by the Interstate Commerce Commission, the rail carriers and other organizations and by the Department of Commerce, Mr. Smith urged that the freight claim departments of the transportation companies be made familiar with this form, as he believed it would command full recognition.

Mr. Smith recalled the controversy regarding the "How Loaded, Stowed and Braced" section which is still a part of the standard over, short and damage report form, and he pointed out that, inasmuch as the entire form as at present printed was agreed upon at the Washington conference with shippers and other groups and the Department of Commerce last year, it would be necessary now, in order to eliminate the section, to obtain the sanction of the other parties to the agreement.

"It would, therefore," he said, "seem that the best method of procedure would now be to use the standard form, leaving the line blank in any case where accurate information could not be given."

Mr. Smith presented a series of suggestions regarding detail of procedure

in handling loss and damage claims. The "How Loaded, Stowed and Braced" section of the over, short and damage report came in for adverse criticism from the convention floor, and an effort was made to have Wilson V. Little, Chicago, the division's secretary, authorized to prepare an explanatory note to accompany the form. This plan was killed, however, on motion by William H. Douglas, New Orleans.

"Unfair Competition" Is Assailed by S. G. Spear

WAREHOUSEMEN in certain sections of the country "are crying for relief from railroad and steamship competition" and "should have help and consideration if it is in the power of the A. W. A. to give it to them," Samuel G. Spear, Boston, said in his report as chairman of the ports and port terminals committee of the merchandise division.

One case in which the association is actively intervening through counsel, Charles E. Cotterill, Atlanta, Mr. Spear said, was I. C. C. Docket 12681—a continuance of the investigation of charges for wharfage, handling, storage and other accessorial services at Atlantic and Gulf ports.

"It has become the practice of carriers," the chairman stated, "to build docks and terminal facilities at the ports and then to compete for business by giving free wharfage, dockage and other free or low charges for storage and other accessorial services far below the cost of such services in order to keep up the mad race of competition for line haul tonnage."

"In doing this they have unfairly competed with the warehousemen and dock owners depending on their properties alone for earnings, and discouraged or rendered impossible port extension or improvement by private or municipal capital. Not only port warehousemen have suffered, but interior warehousemen as well, for imports or exports have been stored in great quantities in these piers for little or nothing, while the warehousemen in the interior to or from which the goods ultimately move are starving for lack of business."

"The railroads always have their line haul revenues to help eke out these terminal losses and the policy of the traffic officials has been to ignore and hide these expenses, claiming them to be necessary as advertising, window dressing and solicitation aid. As a matter of fact they have become the source of indirect rebating and discriminatory practice."

In order to finance placing warehousing's case before the I. C. C., approximately \$4,300 has been subscribed, Mr. Spear's report disclosed—\$2,500 by the A. W. A., \$1,000 by the Warehousemen's Association of the Port of New York, \$500 by the Massachusetts Warehousemen's Association, of which Mr. Spear is president; \$200 by the Boston Teamsters' Association, and \$50 by the Douglas Public Service Corporation, New Orleans.

New Orleans warehousemen had been

injured by the Army Base buildings there having been used for storage "in unfair competition with their business," said Mr. Spear, who added that the committee had at Washington opposed the Government "going into business" through enactment of the foreign trade zone bill before Congress. Free zones, if established, should be under private management with Government supervision, under the principle that the present bonded warehouse is operated, the chairman contended.

Study should be given to find out what assistance the association might give, Mr. Spear declared, to warehousemen in New Orleans, where there is railroad and Army Base competition; in Savannah, where there is railroad competition; in Minneapolis, Milwaukee and Buffalo, where there is railroad and lake carrier competition; and in Portland, Ore., where there is municipal and steamship competition.

"We sympathize particularly with the plight of the New Orleans warehousemen, who seem," he added, "to be confronted with a combination of Federal, State and railroad competition more severe than is usually found in the ports. We believe a sincere effort should be made to find something which we can do as a national organization to assist New Orleans beyond the help which a favorable decision in Docket 12681 may give."

Additional Bonded Space Is Held to Menace the Industry

THE merchandise division's committee on bonded warehouses—Jay Weil, New Orleans, chairman—reported that the U. S. Director of Customs "continues to issue permits for additional public bonded warehousing space and part-time custodians without taking into consideration the recommendations or disapproval of the local Collector or the real need for a new service and additional space," thereby doing damage to well established bonded warehouses. This "meretricious practice" possibly would inflict further losses on the warehouse industry, it was declared; and moreover:

"The cut rate and cutthroat competition that has been developed through the indiscriminate granting of new licenses is bound seriously to injure the high quality of bonded service upon which the warehousemen of the country have always justly prided themselves."

As a step forward by New Orleans's bonded warehousing, Mr. Weil reported that last November he obtained from the local Collector a verbal ruling denying priority of collections of general order cartage over warehouse storage and handling.

"This ruling," he added, "will help to equalize regulations that heretofore have differed at various ports. A bonded warehouseman can now pro-rate with bonded cartmen so that loss from sale of unclaimed general order merchandise does not fall only on the shoulders of

bonded warehousemen. This is excellent as far as it goes but nothing has been done to pro-rate losses as between warehousemen and our Government on sales of unclaimed general order merchandise. It is your committee's opinion that legislation should be enacted by Congress in order to obtain relief and there is no doubt that Congress will act favorably when the lack of equity, so clearly demonstrable, is proved."

No progress having been made in reducing premiums on bonds given the Government by licensed warehousemen, Mr. Weil recommended that this problem "be investigated thoroughly and fought sturdily or we can expect further increases on all classes of warehouse bonds in the near future."

The committee reported that while it favored the establishing of free zones as being necessary to the expansion of American commerce and shipping, it was convinced "of the necessity of safeguarding private capital and present warehousing investments by stipulating that free zones must and shall be developed by private capital." The bonded warehousemen now in business "represent the investment and experience necessary successfully to operate a free zone," it was contended.

Alluding to bonded warehousing conditions, Mr. Weil said that reports received within the previous thirty days showed there had been a decided falling off in space occupancy and resultant loss in revenue and net income. Average occupancy was shown to be only 50 per cent, as compared with 70 per cent a year ago.

"Unless the granting of new licenses is promptly curbed," he concluded, "competitive conditions will grow worse and the really responsible bonded warehousemen will abandon this branch of the industry to the cut-raters. The situation is serious and calls for aggressive action."

Tax Relief May Be Given Shippers in Wisconsin

IF the Wisconsin Legislature acts in accordance with a recommendation submitted to it by the Legislature's interim committee on administration and taxation, manufacturers' "in transit" merchandise in original packages will not be subject to taxation while stored in Wisconsin public warehouses.

This information was brought to the Kansas City convention by G. J. Hansen, president of the Hansen Storage Co., Milwaukee. Mr. Hansen gave to *Distribution and Warehousing* a copy of the interim committee's recommendation, which reads as follows:

"We recommend a radical change in the taxation of merchandise and other goods stored in commercial storage warehouses. As the law now stands the tax upon such personal property is levied upon and collected from the storage warehouse, which interferes with the business of the warehouses, because there is a period of half a year after the tax is assessed when the goods may

be withdrawn before the amount of the tax is known.

"Still worse is the situation as regards merchandise consigned to warehouses to be later distributed to purchasers from these warehouses, which has become a large business in all lake ports. In this field the warehouses in Wisconsin are in competition with storage warehouses in neighboring States; and if such merchandise in Wisconsin warehouses is taxed, these warehouses must either stand for the tax or they will lose their business altogether.

"What we suggest to remedy these difficulties is that merchandise brought to commercial storage warehouses direct from railroad or steamship lines and put into storage in the original package, shall be considered as being in transit and shall not be taxed until withdrawn from the warehouses.

"We further recommend that other goods stored in warehouses be assessed against the owner, providing that the warehouse furnishes to the assessor a list of all such goods, with a copy of the warehouse receipt, showing the value thereof, and the name and address of the owner."

Mr. Hansen believed that this movement, which has the support of the Wisconsin Warehousemen's Association, has a good chance of maturing successfully through legislative enactment.

Outdoor Advertising Is Analyzed by C. C. Temple

ADVERTISING'S "pink pill" age having passed—the day when extravagant and erroneous and faked statements were blazoned to the public in the magazines—it is predicted by Roger Babson that within the next ten years the advertising man will be regarded as performing a social service ranking next to that of the school and church. This thought introduced a paper which, prepared by C. C. Temple, San Diego, was read before the merchandise division of the American at the Kansas City meeting. Mr. Temple the following week made the same talk at the Biloxi convention of the National Furniture Warehousemen's Association.

"Advertising has been found to be the only method that will allow of a manufacturer, producer or retailer reaching the masses economically with the message about his product or business that he desires to convey," said Mr. Temple. "It has supplanted the solicitor who went from house to house and also a great deal of individual and personal salesmanship."

"Outdoor Advertising," which was the title of the Californian's paper, has come to be recognized, he said, as one of the three major divisions of advertising and is today "perhaps the fastest growing of all media because of three changes in our economic life: first, a natural inclination to spend more time in the outdoors; second, the development of sport life; and third, the phenomenal

(Concluded on page 56)

New Business for Warehouses

In all trucking the biggest factor of cost lies in the "empty mileage." The longer the outgoing trip, the greater are the miles of the return trip "empty." Every truck owner puzzles his head over the problem of "return loads," knowing that each ton he can carry back on the otherwise "light" truck is just so much velvet. Nor is this problem one of trucking alone. All transportation faces like difficulties. In all our cities, trolley cars are jammed in the morning as they move downtown but travel without passengers as they return to the barns; in the evening the procedure is reversed. The railroads find that coal-cars can be used for little else than coal; accordingly, long trains of empties are dragged hundreds of miles to the mines in order to be loaded with revenue-producing freight in the opposite direction. The western railroads carry tremendous quantities of wheat and lumber eastbound but have been unable to develop an equivalent tonnage of westbound business; no alternative is open but to haul the empty cars hundreds, sometimes thousands, of miles for reloading. The movement of fruit

Greater Earnings from Smaller Charges

IT is obvious that without a return load, the one-direction freight must stand the cost of the "empty mileage." The rates must therefore be high.

Equally evident is it that every dollar of revenue that can be built up for the return trip will add that much to the total earnings of the truck owner. With that increase of earnings his profits will grow; and, inevitably, in a short time his charges for the one-way load will come down. Operators can reduce their charges exactly in proportion as they are able to secure pay loads on return trips.

It is the experience of business, however, that a reduction in charges will reflect an increase in net profits. Lower charges produce increased volume. More important yet, that volume is steadier and better distributed. With greater volume and with fewer peaks, the net earnings rise.

Of our richest newspaper, the New York *Times*, it is recorded that the present management, which bought the paper in August, 1906, began with high ideals but that in two years bankruptcy stared them daily. The situation has thus been pictured:

"Mr. Ochs religiously lived up to his ideas of news. His friends advised him to raise the price of the paper from three cents to five.

"Then he took a desperate chance, which was a stroke of genius. He cut the price to one cent. Circulation went up, advertising came in. In 1900 the *Times* evenly turned the corner of the century. In 1901-02 it made \$153,000."

Within the past three months another New York newspaper has demonstrated the same facts. The *Evening Post*, recently acquired by the Curtis Publishing Co. interests, had for years been a five-cent paper. The price has now been cut to three, with results so striking that cartoonists love to depict the newsboys

EVERY dollar of revenue that can be built up for the return trip of the motor truck will add that much to the earnings of the vehicle's owner, the author points out in this "New Business" article. And he suggests two sources of "return loads" business as yet little developed by warehousemen:

First, live stock.

Second, fresh produce.

These two are potential sources of profit—how and why, are here outlined.

whose business "is trebled when I can sell a five-cent paper for three."

Again and again the principle has been demonstrated with merchandise, with "service" and with transportation. "Smaller charges" are, however, a thing different from "price cutting." "Smaller charges" are a permanent lowering of cost to the buyer because the seller finds he can produce for less and still reap a greater net for himself; whereas "price cutting" with trucking or with warehousing is a senseless giving of some-

XVI

Truck Pay Loads Offer Field for Profit Cultivation

and vegetables; the passenger influx into Florida during December and January and the return flight northward in March; all the summer-resort movements; the potato crop in Maine and the melon crop in Arizona—these and a score of others present the identical problem that truck owners face in their effort to find something for the return haul.

With the railroads the whole rate structure is complicated by this problem. In order to encourage tonnage to offset "empty mileage" the trans-Mississippi railroads, to use only one illustration, went into Asia and the Orient to find markets for American manufacturers. Then they built fleets of steamships on the Pacific. To all this investment they added quotations of very low freight rates from the Mississippi Valley to Pacific Coast points. All this was done, with expenditure of millions and with years of pioneering, just for the purpose of stowing away some revenue-producing freight in those endless trains of empties westbound for wheat and lumber.

thing for nothing in the hope that shortly will come the chance to recoup the loss, unknown to the buyer.

Return Loads for Trucks

THE furniture warehousemen faced the same dilemma. With them, moreover, its solution was complicated from the nature of their loads. The furniture truck must find like goods for the return load. It handles the intimate things of the home, things easily damaged, things that fall "within the woman's world" where even a disagreeable odor brings complaint.

The furniture warehouses, accordingly, found their return loads in inter-city movement by cooperation among themselves, working out finally bureaus for inter-change of distance hauls.

Furniture hauling, furthermore, follows no fast lines as to direction of the movement. It is a criss-cross of movement that goes wherever man lives. In this respect it is essentially unlike merchandise trucking.

For merchandise trucking is merchandise distribution. The goods are moved always in one direction: out from distinct centers, radiating further and further from those centers, with exceedingly little criss-cross movement. The load goes always out from the market center; the empty truck returns always to the market center.

The merchandise truck owner can hardly hope to develop a return load of like goods, as did the furniture warehousemen. He must do the next best thing: turn to *unlike* goods.

Of such unlike goods, two will be con-

DEVELOPING NEW BUSINESS

Distribution and Warehousing
March, 1927

sidered as a field for new business this month: live stock and fresh produce, chiefly for the reason that everywhere in America the trucking of these involves an empty haul in the direction that merchandise trucking moves its loads.

In other words, live stock and fresh produce trucking hauls its load from all outlying points of the compass but converging at the market center. Merchandise trucking hauls its load out from that very center to a radiating area. With both, the empty haulage of the one goes counter to the loaded haulage of the other.

Some matching of the empty mileage of one against the loaded mileage of the other ought to eliminate the useless and wasteful for both; and benefit both.

Taken as a whole, the combining of these two types of trucking has followed in a number of communities. It is apt to occur as rapidly as the situation is grasped, the gains being apparent to anyone who visualizes the utter waste of maintaining so much empty mileage for both.

Live Stock

EIGHT years ago trucks first assumed importance in bringing live stock to the packing plants of this country. Of a recent year, however, one-fourth of the live stock received at the stock yards of Indianapolis reached that place by motor trucks. A total of 50,165 such truck loads were received.

Indianapolis has shown the most conspicuous growth of truck-delivered stock. At that city on any average day more than 100 trucks may be seen bringing hogs or cattle, sheep or calves, while as many as 450 trucks have been counted in a single day. At Cincinnati, 300 trucks have been registered in a day. Other live stock markets show similar trends, although the development has been quite irregular.

For hogs alone, the truck receipts are the equivalent to 3134 railroad cars per year at Cincinnati; 9630 at Indianapolis; 2302 at Omaha; 1650 at St. Joseph. So goes the toll. Trucking live stock is a growing business, destined to displace railroad shipment up to 50 miles from the live stock markets.

That 50-mile radius means that every farm in such a State as Indiana is within trucking distance of some live stock market or packing house. The same is true of every farm in Ohio, of Illinois and of Iowa. The heavy stock-raising portions of Nebraska and Kansas and Missouri are all within that distance of a slaughter-house. Indiana has 11 packing-house centers; Ohio, 13; Missouri, 6; Kansas, 10; Iowa, 14.

Because packing houses are well distributed among the areas of stock-raising States, it should not be taken for granted that the bulk of live stock raised in these sections is now trucked to market. In fact, in most sections this is not the case. The bulk still goes by rail.

This is due to several reasons, not the least of which is the lack of adequate highways.

But with the road-building programs

of the States, greater activity in the trucking of live stock may be expected.

A greater reason, however, is that truck owners have allowed the business to develop itself. This reason is accentuated by the problem of the empty mileage involved—precisely the point where the alert warehouseman should tackle the problem.

Another thing that has limited trucking of live stock is that the rates charged have been excessive in the judgment of the stock raisers. These high rates can be lowered most easily by securing a return load, or by using the live stock as a return load for some other type of trucking, such as merchandise.

One noticeable feature of live stock trucking, as brought out by the only study made of the situation (by the Firestone Tire & Rubber Co.), is the lack of return loads. At Omaha, for instance, out of 57 truck operators interviewed, 38 never find return loads; 6 reported return loads about half the time; 3 "usually" have return loads. At Cincinnati, out of 40 truck operators interviewed, only 3 report return loads regularly available and 12 "usually." Where return loads were found, they consisted of miscellaneous merchandise for retailers (from jobbers and warehouses), stock feed, machinery, lumber and building materials, coal, road building material, sewer pipe, fence materials, and even furniture. One owner reports that he finds a load of furniture for every trip from city to country!

Some of these truckmen have gone so far as to formulate rules to govern the handling of live stock, those rules being patterned after the railroads' regulations. One such rule is thus given:

"The liability of the company for loss of stock in transit or after delivery covers only such loss or injury as is due directly to the negligence of the company or its agents. The company is not liable for loss or injury to live stock resulting from overloading, sickness, overheating where no unreasonable delay of the company occurred, or where improper loading facilities at point of origin or destination caused overheating while loading, thus resulting in death or injury.

"Each shipper is responsible for the manner in which his shipments are loaded, and the time of shipment. Live stock may be crowded or not in the trucks at the option of the shipper and at his risk.

"Likewise, when a shipper orders a truck for a certain time of day and such truck does not arrive until during an unreasonably hot part of the day, the shipper may decline to load until later in the day. Every precaution is taken by the company to safeguard the hauling of stock in hot weather (especially hogs) such as wetting down whenever their condition appears to necessitate it.

"Total charge is made where the truck has been ordered and has been sent after a load and for some reason, not the fault of the company, the shipper declines to load, unless the general office of the company or the agent from whom

the truck was ordered was notified at least four hours before departure of the truck and during business hours."

One feature of live stock trucking noted in these rules, is that the loading is done by the shipper. His is the task, his the risk and his the decision as to what is proper loading. In such a rule the truckman follows the requirement of the railroads with live stock.

Cleaning the Trucks

FIRST objection to come to mind is that use of a truck for live stock will render it unfit for merchandise. Because truckmen have faltered at this objection is the great reason why warehousemen have missed their opportunity.

Those who have investigated have however, met a surprise. They have found it a very simple matter to clean a truck after a load of live stock, even hogs, and prepare it for merchandise.

Cleaning facilities are both simple and inexpensive. All that is needed is a shovel and a hose with plenty of water. The spot selected for cleansing should have a hard surface so that it will not become a mudhole after a few trucks have been washed. If the hose is applied immediately after unloading the stock, difficulties disappear. All dirt comes off and the truck is sweet smelling again, provided the hose is used before caking and dryness occur. Many owners, as extra precaution, lay a false flooring of slats on the truck before loading it with merchandise, this slatted floor not being used with the live stock.

It is stated by the Firestone company that:

"Shipping live stock by truck has really just begun. The extent to which the field may be developed depends largely upon how thoroughly it is studied and approached from a sound economic viewpoint."

Throughout their survey of the situation, however, the outstanding item has been the need of "return load"—a load from city to outlying location. This is the reverse of the problem of the merchandise warehouse with its trucks.

Therefore some fitting of the two types of trucking together would seem a reasonable way for the warehousemen to increase the volume of his trucking, eliminate empty mileage, and enhance net earnings.

Fresh Produce

AKIN to live stock is the trucking of fresh produce into the cities. Produce does not introduce, as live stock does of course, the element of odor and dirt for the truck. Fresh produce does, however, have its empty mileage in the reverse direction that merchandise trucking has.

Again the two might be combined with benefits to both.

One day last September a short delay to traffic occurred on the Rondout Bridge which stands some eighty miles from New York on the New York-Albany highway along the west bank of the Hudson. On that bridge were blockaded four empty trucks belonging to a New

York warehouseman. Standing within 250 feet of them, but headed the opposite direction, were three other empty trucks belonging to a New York trucking company.

The four trucks were returning "light" from Stamford, N. Y., to which town they had gone the preceding day with a lot of machinery and equipment. They were now returning to New York. The three trucks had come from New York, and were headed for Margaretville, where they were to take on loads of cauliflower for the New York market.

Margaretville lies about 140 miles from New York. It is on the road to Stamford, which lies some 25 miles farther on. It would have been perfectly possible for the empty trucks from Stamford to have stopped at Margaretville, to have loaded the cauliflower. Thus would have been saved all the wasteful mileage, with greater profits to some truck owner and lesser costs to the

individuals who pay the bills for trucking.

Once again, about 22 miles outside of San Diego, in January, in the celery-growing section were encountered three big trucks of a Los Angeles produce dealer, each with trailer. They were being loaded with celery for the Los Angeles market, about 135 miles to the north. Four or five miles further on (to the south) is being laid a new water main, many miles in length, for which 24-inch pipe is being used.

For weeks and weeks a long procession of trucks has milled up and down the roads, delivering pipe for this construction job. Every truck bears the name of its Los Angeles owner, and yet the pipe-delivering trucks go back "light" over miles and miles of road where celery farms parallel the roadsides probably a fourth of the total mileage they cover; and at the same time trucks for celery come out from Los Angeles

"empty." Yet one more!

A melon grower near Canton, Ohio, ships largely to the Cleveland market by truck. Last summer, just before harvest time for melons, fire destroyed his barns and outbuildings. The nearest place of lumber and building material stocks was eleven or twelve miles—a distance that meant heavy trucking charges. The farmer made a trip to Cleveland, where he bought favorably all the material for rebuilding.

"I never could make up my mind," says he in telling of what happened, "whether I saved \$72 per load on the building material, or whether I got \$72 extra profit on every load of my melons. All I know is that, one way or the other, I was \$72 a load ahead. I got the same trucking company to haul both jobs, full loads both ways. It made a difference of \$72 one way or the other. I have the money, so why worry about the book-keeping?"

Household Goods Warehousing in the United States*

By CLARENCE A. ASPINWALL,
President Security Storage Co., Washington, D. C.

Chapter XVII

Insurance—and Fire and Accident Prevention Insurance

THE subject of insurance is one of great importance to warehousemen, and the household goods division[†] of the American Warehousemen's Association has obtained from Ernest L. Clark, an insurance expert of No. 1 Liberty Street, New York City, and a member of the advisory service staff of the Alfred M. Best Company, the following exposition of this subject as it relates to the particular requirements of household goods depositories:

Determination of Forms of Insurance to Be Carried

"In all enterprises good foresight enables the business man to protect himself against loss through misjudgment or change in general business and economic conditions of the country. It is not possible, however, to guard against loss through casualties other than by insurance. One can only judge by the experience of others and carry insurance to cover the sources from which casualties are likely to emanate.

"It is more or less a matter of business policy and of opinion as to the extent to

which protection is to be carried. It may be stated that there are no two corporations who agree as to the forms and extent of insurance protection which they should carry. Insurance is carried—

"First, to indemnify in case a casualty occur, and

"Secondly, to provide expert inspection service which prevents casualties.

Insurance Contracts

"The importance of the affecting and writing of insurance contracts is too often not appreciated by the purchaser of a policy. It often happens that a policy is not opened by an assured until after the loss occurs, and many times he then learns to his distress that the insurance company is not liable under the contract.

"It should be borne in mind that an insurance policy is a contract between two parties, one the insurer, the other the insured. It is drawn by the insurance company and most of it follows set wording approved by the Legislatures respectively of the various States. This wording, however, is subject to many modifications. Every word in a policy is placed there for a definite reason and must be considered. The conditions of the contract are as binding upon one

party as upon the other. If there be not a meeting of minds, there is no contract and the Courts will not recognize one. An assured should scan a contract of insurance with the same care with which he would a contract under which he assumed a delivery of merchandise. The policy should be considered not from the point of the amount of the premium paid, but with the realization that some day, if the casualty insured against occur, the policy may be as valuable to him as a check payable to his order for the amount for which the policy was issued.

Forms of Companies

"There are several methods of insurance. Each has its distinct advantages over the others, and likewise its disadvantages.

Self-Insurance

"When the chance of a catastrophe or great loss is very remote and the risk of small losses is spread over a large exposure which would require a disproportionate amount of premium to be paid to obtain protection, it is sometimes advisable for corporations to become 'self-insurers.' This is usually done by determining the rate of premium at which

*Copyright by the author.

[†]Disbanded since the writing of this book by Mr. Aspinwall.

the risk can be insured and then setting up a reserve fund on the corporation's books against such losses, replenishing the fund from time to time to the same extent as would be required by the payment of premium to the insurance companies. This system, for instance, is followed in many cases in States which have compensation laws for the guaranteeing of payment of compensation and medical bills to employees in case of their injury. Under some conditions it is possible to be a 'self-insurer' for the minor losses, obtaining so-called excess insurance for protection in case of a conflagration or other catastrophe.

"No corporation should consider self-insurance of any kind unless its risks are sufficiently numerous and it is financially large enough to absorb large unanticipated losses.

Reciprocal Exchange

"The reciprocal insurance idea is a development of the principle of the 'self-insurance' idea. Several entities band themselves together in order to increase the exposure and spread the risk over a larger field. Each pays into the so-called reciprocal exchange a sum usually equal to the premiums which would ordinarily be paid under other forms of insurance. Each member assumes a proportionate share of the total risk assumed by the exchange. If the result of operations of a year's business show a surplus, this is divided among the members or subscribers. If at any time the funds on hand be not sufficient to meet current losses and expenses, assessments are levied. The return of profits and the levying of assessments are usually made in proportion to the amount of risk carried for each member and the rates paid.

"This plan is only feasible where the chance of large loss is impossible and where a very select membership, as to financial and moral responsibility, is obtained.

"The method of operation is usually to appoint an attorney-in-fact, who is paid on a percentage basis for his services, and who conducts the business of the exchange.

"Many States do not permit the formation of reciprocal exchanges under their insurance laws. The number of failures has been very great. There are a few groups of reciprocal exchanges writing only the highest grade of fire risk, who have operated successfully over a period of years and pay their members very good returns.

"This form of insurance is not usually obtainable by warehousemen unless they should have a fireproof warehouse, which is not subject to a total loss or a conflagration, and then only for fire, sprinkler leakage and tornado insurance.

Mutual Insurance Companies

"The mutual form of insurance company is, in a way, a combination of reciprocal exchange and stock company.

"A policy-holder is considered a stockholder in the company. Profits made by the company are divided among its policy-holders or stock-holders in the form of dividends.

"Some mutual companies operate by charging approximately ten times the rates fixed by the stock companies and then pay a substantial dividend. Others charge the same rates and pay small dividends.

"The policy-holder is liable to assessment in case the funds of the company become depleted.

"It is the practice of most mutual companies to operate in groups. The largest and most successful take only the most improved class of fire risks. There are one or two successful casualty mutual insurance companies. A low expense ratio enables them to compete with stock insurance companies.

"In taking a policy in a mutual insurance company the insured must be reconciled to the fact that he may be called upon to pay an assessment or waive a dividend.

"An insured in a mutual company is liable to assessment even though his policies may not be in force with the company at the time the assessment is levied. The assessment is made upon those who are policy-holders at the time the losses occur which result in necessity of the levy.

Lloyds Insurance

"'Lloyds' is the name given to a method of insurance through which insurance is given to a policy-holder under an agreement signed by a number of individual underwriters, each of whom becomes personally liable for the amount of insurance for which he subscribed under the policy. It is insurance written by individuals instead of by a company.

"The formation of Lloyds for insuring risks is not permitted under the laws of many of the States. It is not considered to be sound insurance in most cases. The impossibility of following the financial responsibility of each underwriter and the difficulty in collecting contested claims are the principal disadvantages of this form of insurance. The well-known London Lloyds has, of course, been successfully operating in England.

Stock Companies

"Stock insurance companies are formed by the creation of a capital which is provided by the sale of shares of stock. They are formed with the object of paying a profit on the investment made by the stock-holders, the stock-holders being entitled to any gains which may result from the operation of the business, and, of course, responsible for any losses which may be incurred. It is generally conceded that this is the soundest form of insurance.

"Various States' laws require a minimum amount of 'paid-in' capital which must be maintained unimpaired. The cost of the insurance is determined in advance. As a result no dividends are paid to the policy-holders, although there are one or two stock companies which have a profit-sharing plan for their stock-holders.

State Insurance

"Insurance is written by some States by the creation of a fund for the purpose by statute for the insurance of a single class of insurance, such as compensation

liability. In some cases, they enter into competition with other forms of companies; while in others, the laws do not permit private enterprises to write the same form of insurance as is written by the State. In theory this is an economical form of insurance. Practical demonstration has not proved it as such, the fact being due to the usual disadvantages of politics and similar obstacles, which necessarily enter into any business of the kind carried on by a State. State insurance is invariably opposed by business men as being of a political, socialistic and communistic tendency.

Agents and Brokers

"As a rule, 'Lloyds' reciprocal, mutual and State organizations deal directly from their home offices or through branch offices with their policy-holders. A few mutual companies follow the agency system used by the stock companies.

"Usually stock companies appoint in each locality an agent who has authority to accept lines of insurance, issue and sign policies and collect premiums, also sometimes to adjust and pay losses. The company, with certain limitations, is bound by the act of the agent. Agents, as a rule, are pledged to give any business which they can control to the companies whom they represent. An agent may represent one company or a large number. The appointing of an agent by the company must be approved by the Superintendent of Insurance of the State in which he is appointed, and a certificate is issued by the Superintendent to that effect. Many States have a resident-agent law which requires that any policy issued by a company whose head office is not in that State must be signed by an agent who is a resident of that State. Some States have agent-qualification laws which require that an agent submit to an examination showing that he is of a certain standard of mental intelligence and has a working knowledge of insurance matters.

"Insurance brokers are a development of the East. Because an insurance agent represents the company and therefore, naturally, has a tendency to favor the company in drawing up contracts and in other negotiations, and also owing to the fact that his market is generally limited to the companies whom he represents, many buyers of insurance felt that it would be advisable that they have a representative for the handling of their insurance who had no ties to the insurance companies.

"The insurance broker is an outgrowth of this idea. A broker represents the assured in the placing and drawing up of an insurance contract. His duties are to obtain the broadest insurance for his client at the lowest rate which the market affords in responsible insurance companies. His remuneration is a percentage of the premiums. Courts differ as to whether technically this commission is actually paid by the assured or by the insurance company. Where the insurance broker's commissions from an insurance transaction are not sufficient to compensate him for the amount of work

which negotiations required, it is quite usual for him to charge an additional fee to the assured. Stock companies are practically the only ones which recognize insurance brokers and pay a commission to them on the business which they place. Insurance is handled by brokers principally in the East. In the western and southern part of the United States very little insurance is handled by brokers, most of it being placed directly with companies by the principal.

"Almost every State has laws which do not permit the payment of commission to brokers unless they are licensed by the State. The obtaining of such a license by a broker, as a rule, requires that he meet with certain qualifications, and in some States pass a written examination to show that he has a working knowledge of the forms of insurance which he intends to handle.

Insurance Market and Conditions

"Due to the laws of various States there are three groups of insurance companies, namely, one writing fire, marine, tornado, sprinkler leakage, riot, explosion and transit insurance, another writing life insurance, and a third writing the other forms of casualty insurance.

"Some of the States permit companies to be formed which may write insurance coming under the last two groups. Others do not permit a company writing a class of insurance coming under one group to engage in writing the kind coming under one of the other groups. Thus a company which writes fire insurance on a building cannot write a policy covering liability for accidents. One or two States permit the writing of both fire and liability insurance on automobiles, but in these States such a company cannot issue a life insurance policy. Laws of all the States now provide for close official observation of the companies, with a view to protect the policy-holder against loss due to insolvency of an insurance company. These laws vary greatly. In some States they are very stringent; others are lax.

"In considering whether a risk should be placed with a given company, three factors should be considered:

"1. The financial responsibility, past, present and future, of the said company.

"2. Their loss-adjustment reputation—meaning, thereby, whether they are inclined to adjust their losses on a technical construction of the wording of the policies or with a broad interpretation.

"3. The conditions of the insurance policy which they offer and the rates charged.

"It is the natural inclination to measure an insurance company in the opposite order from that above stated.

"In considering the financial responsibility of a company, the form of insurance which is to be placed with the company must be thought of. In the case of risks, such as, for example, fire insurance on a building, which provides for only the immediate payment, in the case of a loss, of a stipulated sum, and the extent of which may be contemplated, the financial responsibility of the company

should be considered as to whether or not it has sufficient funds to meet current losses; whether their business operations in the past have been profitable and it has been their policy to build up a large reserve fund and surplus; and whether, judging from previous experience had with companies of this form, they are in a position to sustain losses which they would be required to pay in case of conflagration, such as, for instance, the San Francisco or Baltimore fires.

"In considering a company for the issuance of other forms of insurance, a purchaser of a policy must, in addition to the points given above, also decide whether, beyond doubt, the company will continue to be in business and to be sound financially for a long time after the policy is issued. Losses, as a result of accidents, covered under liability policies involving defense of suits in Court, may not be settled until many years after the accident has occurred. A claimant may carry a suit by appeal through the various Courts, a procedure consuming many years. Therefore, the policy-holder must be sure that his insurance company will be in business to defend him, whether the suit be decided the same year in which the accident has occurred or a great many years afterward; likewise, to pay the amount of the verdict if the suit be decided in favor of the injured.

"Life insurance is invariably purchased so that the amount may be paid under the policy a good many years after the policy is issued, and the insurance company issuing the policy must be of such indisputable financial strength that it will still be in business at the time the policy matures.

"The strongest American companies have built up a large surplus and reserve over a long period of years for the benefit of their policy-holders. This is at the sacrifice of payment of dividends for a number of years of one organization, and it is security such as this that the assured should require from any company before he accepts a policy.

"The fact that mutual and reciprocal companies very often owe their existence to their ability to pay dividends requires them to pay dividends when the sums so expended should be used toward building up a surplus. This explains the great mortality in mutual and reciprocal companies, with a loss to policy-holders. The laws of many States do not provide for as close supervision of this class of companies as of stock companies, and for this reason stock company insurance will usually be found to be safer than other forms.

"The many kinds of companies doing each kind of business in the United States present to the buyer of insurance a wide market. It is best to have someone who is familiar with it decide as to the company with which a policy is to be placed. This is one of the arguments which brokers give in their favor as compared with dealing directly with agents of companies; and likewise, of agents and brokers as to dealing directly with the insurance companies.

"A broker, not being under any obli-

gation to any particular company, is free to canvass the market and obtain therefrom the broadest policy conditions, the lowest rates, and best financial responsibility which a competitive market has to offer.

"In fixing the conditions of a form of insurance, almost every form of insurance must be adjusted to meet each individual case. As the language of insurance contracts is invariably technical, it requires a specialist to advise the proper wording in which the adjustment of conditions is to be made. The making of a contract requires a meeting of minds. No facts which are pertinent to the insurance should be left out of the contract. Where insurance is placed direct with companies who do not recognize brokers or agents, it is the practice of many large corporations to employ the service of an insurance expert for advisement on these matters.

"Many corporations, in order that they may be in touch with the ever-changing financial conditions of insurance companies, subscribe to a service which renders reports upon all insurance companies.

Rates

"It is the endeavor of all underwriters to make insurance rates upon a scientific and actuarial basis. Many States have adopted laws which place the rate-making under official supervision and which require the companies to charge the same rates under their policies as those promulgated by the rating authorities. This, to a limited degree, has been so far for a number of years in life insurance.

"When compensation laws were passed by the various States similar action was taken in connection with the rates charged by the companies for the insuring of the obligation to pay compensation.

"This has been extended in many States, so that it now also includes the fixing of rates for most other forms of insurance.

"This condition, however, does not apply to marine or transportation insurance. Inasmuch as such transactions are invariably either interstate or international, the States do not assume any control over this form of insurance.

Assurance Values

"Every owner of property must necessarily keep two sets of records of values.

"One is to be used for accounting and tax purposes. This is usually based upon the amount paid for a given item which is depreciated from year to year to a percentage determined by accounting principles and practice.

"The other record of value is for insurance purposes. This is based upon the replacement value at market cost of the item, depreciated to the extent of actual depreciation which has occurred to the item due to wear and tear of use and age.

"It is this latter basis which should be used for the amount of insurance to be carried, and on it a loss will be adjusted if it be correct."

(To be continued)

If you'll stop to think
before reading "Two
Bits," you'll—

Vol. VII. No. 9

TWO BITS

A Bit Here, A Bit There

—probably
think to stop!

Gotham, March, 1927

Ye Ed. Travels in Florida & Disastrously Discovers a New Sport Rivaling Golfing

ALL Two Bits readers who want a pleasant eve'g of entertainment should drag their easy chairs over in front of the fireplace, don their embroidered carpet slippers, & open their magazine to this page & read about how Ye Ed. attended his 1st & last horse race on Jan. 29 while in Miami, Fla. It is a drama without any thrills, 1 disappointed hero, 1 humorous horse, 1 misplaced hunch & 1 depreciated bankroll. We will guarantee in advance that you will be bored reading it, so it would be well to skip this page at this pt. & turn your attention elsewhere.

It seems like that Ye Ed. worked so hard last summer that we did not find time to take a summer vacation. So, being in the South anyhow after attend'g the Biloxi meet'g of the Nat'l Furniture Storagers' Assoc'n, we decided to run over to Fla. to see if what the publicity agents for that State had been saying was true was true.

Ye Ed. stopped off in Jacksonville long enough to have Al Laney, the Jacksonville storager, cash a check to prevent our being stranded in Jacksonville & so far we have not yet heard from Al saying the check came back. Thence we bussed to Miami, where we induced W. T. Callahan, the Miami storager, to cash a check to prevent our being stranded in Miami & so far we have not yet heard from W. T. saying the check came back. These last 2 were the only lucky breaks we experienced during our Fla. sojourn.

Well, while in Miami we heard about a new sport. It is called "horse racing." It seems that out at Hialeah, near Miami, there is a circular enclosure known as a "race track." The "horse racing" takes place on the "race track." Horses carrying riders called "jockeys" run around the inclosure, & the owners of the 3 leading horses in each race win sums of money called "purses." Ye Ed. had heard about golfing—in fact, we are quite expert at it, having won several booby prizes in storagers' convention tournaments—but "horse racing" was something new, & as we told W. T. Callahan, the Miami storager, at the time he cashed our check, we were determined on seeing what this new sport was like, whereupon W. T. said he would be glad to cash another check for us upon our return from the "race track."

The significance of W. T.'s proffer be-

came apparent upon Ye Ed.'s arrival at the "race track," where, to our surprise, we learned that the audience, sometimes called "touts," who were seated in a structure called a "grandstand," placed wagers, or bets, on the competing horses. It seems that you may put down bets, in sums from \$2 upwards, & you guess which horse will win a "race," & if you guess right, & the chances, otherwise

or horse-riders, our problem was solved—in this way:

One "jockey" was clad in green, which is a Certain Party's favorite color, & he wore a large "K," which is the initial of Ye Ed.'s 1st name. It seemed like that surely that was a premonition—or "hunch," as the "touts" call it. Such a combination of green and "K" must inevitably be destined to win! Also, examining the day's program, we found that not 1 of the 9 horses in the 7th "race" had ever won a "race," so it appeared like 1 horse had as much chance as another horse because they was all pretty rotten anyhow. Parmachene Belle was the horse's name ridden by the green-clad "jockey" with the "K," & the "jockey's" name was R. Barrett, he being no relation to Barrett C. Gilbert, the Gotham storager, so far as the program mentioned.

Well, pursuing our premonition—that is to say, "following our hunch," as the "touts" would phrase it—Ye Ed. rushed down under the "grandstand" and deposited a sum of money—known as "laying a bet," as the "touts" would call it—on Parmachene Belle to finish "one, two, three"—that is, either 1st, 2nd or 3 in the "horse race."

The distance of the "race" was 1 & 1/16ths of 1 mi. About 1/2-way round the "race track" the horses got separated into 2 bunches—5 ahead & 4 behind—and the brunette next to us screamed "They're running two races!" & began pounding Ye Ed. on the back & we told her to go on eating her own frankfurter & mind her own business.

Well, space is running short on this mo.'s (March's) *Two Bits* so we will get to the climax & tell you about how the "horse race" came out:

Gloria Quayle, Frosty Boy, Sligo Branch, Compensation, Warning, Rigel, Basket Picnic & Liason finished 1st to 8th respectfully in that order.

Parmachene Belle came across the line last & turned his head & winked at Ye Ed. up in the "grandstand."

We hustled back to the warehouse of W. T. Callahan, the Miami storager, but it was Sat. eve'g. & the darned place was closed & we had to stay in Miami till Mond. A. M. before we could get another check cashed & grab a boat for Gotham.

Golfing is a better sport than "horse racing." At golfing you at least have a chance to win a booby prize.

Our Poem Dept.

EN ROUTE back from Fla. aboard the S.S. Cherokee of the Clyde Line in Jan., Ye Ed. discovered that a daily paper, *The Radiogram*, was being published by the radio officer, who pleaded for contributions from the passengers, & that gave us the urge to bust out into verse-manufacturing, & the radio office accepted & published the following, which is without any interest to anybody but is here reprinted in order to fill space in this issue of *Two Bits*:

Oh, Florida is a sunny land.
The climate's warm and fair.
I brought along a trunk of clothes
I never got to wear.
From Ponce de Leon's fountain to
The coral called Key West
I moved by boat and bus and train
And never wore a vest!

It was a suit that was made without any vest to it, as a matter of fact, but the radio officer had no way of knowing that, so the poem got by.

called "odds," have been favorable, you go to a window under the "grandstand" & get your money back & some more besides. Personally we never got as far as the window, there being no need for that on a/c our guessing was poor.

After the 6th "race" Ye Ed. contracted an itch to bet on the 7th & final "race." The problem was, which horse to bet on. There was a striking brunette seated next to us in the "grandstand" & we ventured to inquire of her as to which horse to bet on, but she told us to go on eating our mustard-covered frankfurter & mind our own business. It must have been the climate.

Well, pretty soon the horses came out on the "race track," the circular inclosure in front of the "grandstand," & as soon as we looked over the "jockeys,"

BOOKS AND PAMPHLETS OF INTEREST TO WAREHOUSEMEN

These Can Be Supplied, at the Prices Indicated, by

DISTRIBUTION AND WAREHOUSING
249 West 39th Street
New York City

Cold-Storage Holdings \$0.10

Year ended December, 1925, with comparable data for earlier years. U. S. Department of Agriculture Statistical Bulletin No. 13.

Prepared by the Bureau of Agricultural Economics

Household Goods Warehousing in the United States 6.00

Selection of site, building design and construction, accounting, stowing, insect control, estimating, cartage, packing, rates, insurance, etc.

By Clarence A. Aspinwall

"I'll Never Move Again" 2.00

Humorous experiences of a man who has moved fifty-two times.

By Fitzhugh Green

Merchandise and Cold Storage Warehouse Map of New York City 1.00

This map, nearly 30 by 30 inches in size, prepared by the industrial bureau of the Merchants' Association of New York, after a year's survey of the port's storage industry, shows the relation of warehouses to railroads, steamship lines, produce markets, etc.

Warehouse Directory (subscription to *Distribution and Warehousing* included) 2.00

The industry's annual reference volume, containing statistics and data regarding warehouse companies throughout the United States and Canada. The 1927 edition appeared as part of the January issue of *Distribution and Warehousing*. Single copies, each 1.00

Please Send Payment With All Orders

Wanted: 7/8th of \$1

"Andy" Murray, *Two Bits*'s business mgr., turns in the following, "for *Two Bits* if you want it," which we publish herewith without knowing what it is all about, tho some of our readers maybe do, well here it is:

"A certain Washington, D. C., storager intimately known as the Largest Van has been holding one part of a torn dollar bill as evidence of his presence at a party of storagers in convention several yrs ago. As time passes, 'tis easy to forget names, faces, etc., at such an occasion, so that Van now only recollects one 'Meinke,' also intimately known as 'Bill,' of La Porte, Ind., who sat at that meeting. Van's desire is to try to buy a glass of buttermilk for that particular crowd over again & has asked *Two Bits* to help locate them for him."

English Humor

The following is reprinted in *Judge* from *Tit Bits*, a London public'n:

"Why is it that you have broken off your engagement, Alice?" asked her fair friend.
"Oh, my dear!" He told me he was connected with the movies, and the very next day I saw him driving a furniture van."

Well, that joke is so clever it might have appeared originally in *Two Bits*.

DON'T FORGET

That the convention of the National Association for the Protection of Moths in Storage will take place soon & that it will be srrupitiously reported in *Two Bits*.

R. V. Weicker, Rug Expert

R. V. Weicker, the Denver storager, pulled a snappy 1 at the Biloxi convention of the N. F. W. A. It seems there was a rug auction in the lobby of the Edgewater Gulf Hotel, & R. V. was in the more or less interested throng of spectators.

A salesman noted R. V. and essayed to sell the Colorado storager a square of his fabric.

R. V., who has handled both horses and carpets in his yrs of experience, eyed the rug speculatively & fingered it a bit, & then was heard to drawl to the salesman:

"Well, it would make a pretty good horse blanket."

No. 16

Walter Eyres

PORTLAND, Ore., in 1879. It is 4 o'clock of a gray, sullen morning—Sunday morning. Hours hence, the ringing of such church bells as the town boasts will pierce the mist that hangs over the river and the hills beyond, but as yet not even the roosters have begun to stir.

Down by the waterfront an odd collection of boats is anchored, and it is from one of these—a dirty tramp schooner flying the British flag—that a faint sign of life appears. Two boys—two very young boys—are stealthily letting themselves over the side of the ship, taking the utmost care to keep their departure unnoticed by the sleeping crew.

Such was the arrival in the United States of Walter Eyres, president of the Eyres Storage & Distributing Co., Seattle, Wash.

The lad Eyres was 13 years old when he took French leave of the boat on which he had shipped from London as an apprentice and on which he had visited such ports as Kobe, Shanghai and Buenos Aires and had sailed around the Cape of Good Hope during one leg of the tramp's long journey.

His companion was 14. The youngsters had been made to believe, from listening to the vivid tales told by sailors, that gold grew in the hills in America and was to be had for the mere trouble of digging—but they had foresight enough, when they left the schooner, to take along a few sea biscuits, and these they ate during the first day of their freedom. That night they slept in the open by the side of a running creek, and the next day they walked ten miles to what is now known as Portland Heights—without eating at all.

Hunger, and the feeling that they were far enough into the country to be safe from capture, gave them courage to apply at a farm house for work—and something to eat. The latter was not so easy to get because the farmer, having to carry his grub ten miles, was far from eager to give it away. He was, however, perfectly willing to give the boys work and pay them for doing it.

The "work" proved to be the clearing of three acres of ground, including spading up the soil for a garden patch and cutting into stove wood a fir tree some 10 ft.



New warehouse of the Eyres Storage & Distributing Co., Seattle.
In oval, Walter Eyres, president of the firm

in diameter. The job, a stiff six or eight week contract for two able-bodied men, was to pay \$4 when completed.

The first day's labor was done on dry biscuits and with little or no headway by night, so the two adventurers moved on to another house, where they were given a loaf of bread and two apples by a thoroughly frightened woman who pushed her offering through a narrow crack in the door, quite confident that her unwelcome visitors were, at best, hostile Indians.

The following day, with the aid of the bread and apples, carried the youths twenty-two miles. Here they tried to sell their top coats to buy food. In this

they were unsuccessful, but they did get a job unloading wood. It was hard work, but Eyres, having lost his taste for general cargo sailing vessels bound for Kobe and points west, decided to stick. His partner, on the contrary, disappointed in the country, ventured a return visit to Portland, where he was shanghaied and made an unwilling member of the crew of a boat bound for Liverpool.

Since that time Mr. Eyres has made six trips to England in a futile effort to find

the pal of his early adventures.

Left alone in the New World, Eyres continued to make a meagre living handling firewood, which was being hauled to a brick yard. This lasted through the summer, and in the fall he got work in a saw mill. The next spring he went to work for the Oregon Transfer Company, thus making his debut at the age of 14 into the business in which he is still engaged.

Young Eyres at that time had everything to learn about driving a team, but he had inherited the Englishman's love of horses, added to the fact that his training as a sailor had taught him how to handle materials, ropes and so on. So he worked in Portland for three years before saving enough money to buy an outfit of his own. In this he traveled inland over mountain trails to Spokane, where he drove a truck for a number of years before returning West—this time to Seattle, where he obtained employment as foreman of the old Seattle Transfer Company, which he now owns.

(Concluded on page 64)

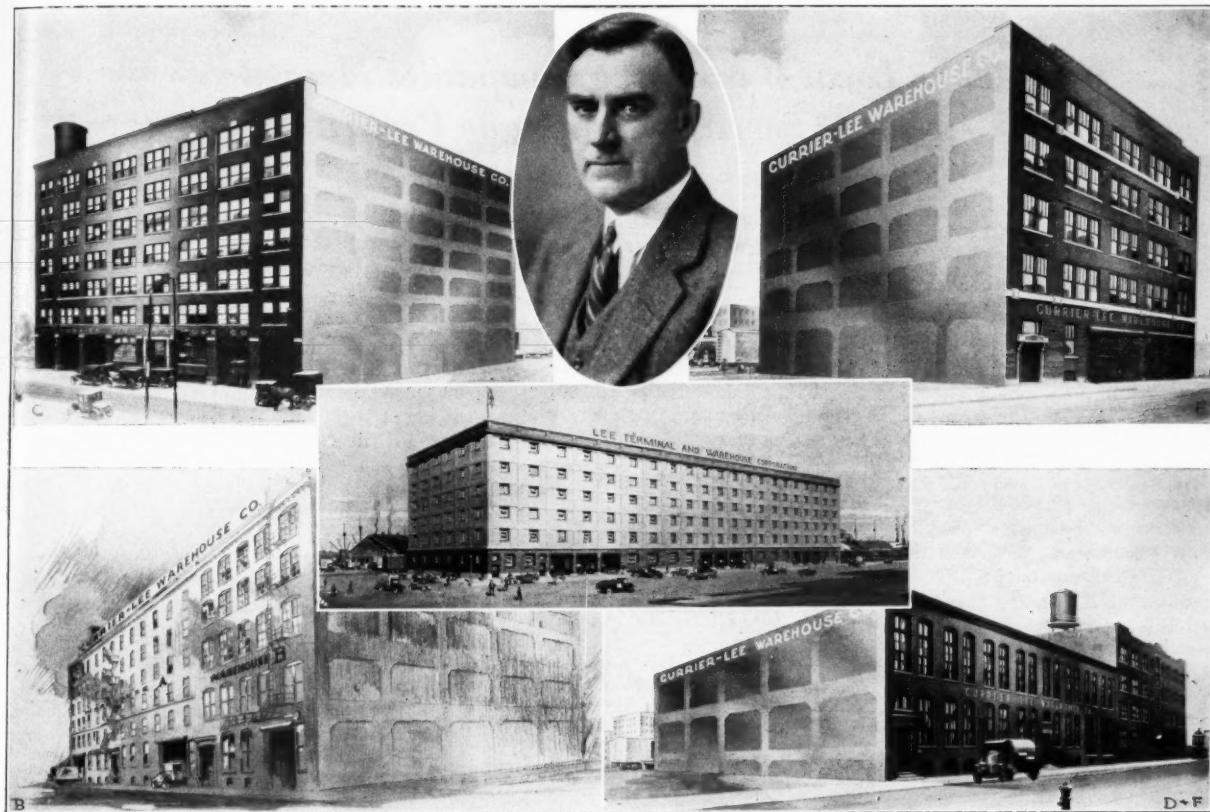
Succes...or

cessories

No. 17

Album Out of Storage!

J. Edgar Lee



In oval, J. Edgar Lee, Chicago, general president of the American Warehousemen's Association. Center, first unit of the Lee Terminal & Warehouse Corp., Tampa, Fla. Warehouses C, E, B, D and F are plants of the Currier-Lee Warehouse Co., Chicago. Mr. Lee is president of both firms

THE efforts of a young man in obtaining a job in a strange city opened the way for J. Edgar Lee, Chicago, recently elected general president of the American Warehousemen's Association, to carve himself a career quite unique in the annals of the public storage industry. And warehousing is a business whose history is rich in stories of success won single-handed against great odds.

Mr. Lee was born in Hamilton, Ontario, Canada, the son of a successful contractor. While he was still a schoolboy his father took him, with the other members of the family, to the State of Michigan, where the elder Lee went into the lumber business.

In the period of depression that followed the World's Fair in Chicago, the Lees, together with a great many others, became swamped in financial difficulties. Their new home, their business, along with 800 acres of timber land which they owned, as well as everything they had brought with them from Canada, were swept away. So it happened that they moved to Chicago, where the senior Lee had only one acquaintance—a man engaged in the express business.

Out of sheer goodness of heart the expressman asked young Edgar to "help him out" by driving a wagon for a few days. The youth gladly accepted—and from that humble beginning was built one of the country's most successful warehousing enterprises.

The work in which young Lee was engaged was known as the City Express business, an institution peculiar to the Chicago of that day. It consisted in delivering packages from the big departmental stores to private homes in the suburbs.

As the city developed and the outlying places grew in importance, the shops, of course, put in their own delivery systems. Then Mr. Lee went into the general express business—moving baggage and so on.

He started at \$8 a week—but that sum represented a lot of money in those days. Consequently he considered it a great boost when he was raised to \$12—and this enabled him to save enough to buy a small interest in the business.

At that time there was a growing need for storage space; and, as Mr. Lee got an insight into that phase

(Concluded on page 68)

Inside Story of How Philadelphia's "Sesqui" Exposition Was Dismantled

Four Local Warehouse Companies Merged Their Service—and Made Profits

By K. H. LANSING

WITH the passing of 1926 the Sesqui-centennial International Exposition in Philadelphia became history. Where recently the world was welcomed, now all is forbidding and bleak, under the dome of the gray winter sky. Even The Gladway, but a moment ago eighty acres of entertainment, is hushed and dismal.

"Where be your gibes, now?
Your gambols, your songs,
Your flashes of merriment?"

There is a brooding spirit over the vast acreage, aloft from which loom \$20,000,000 in stucco and steel buildings, lifeless compared with the strong pulse of human throngs lately beating through the doorways and arches; yet the scene is not wholly without activity. There

arises to the listener a murmur—submerged, keyed low, but steady.

It is the hum of the Swarm of Dismantlers, crooning the requiem of the exposition's perishable part.

While there is always a minor note discernible above the disintegrating of any huge enterprise like that of a World's Fair, not all the Men Who Tear Down are iconoclasts, destroyers; indeed, they may be and often are preservers, prolonging and continuing the work of the Men Who Build Up. This narrative relates to the activities of the latter type. They tore down, but they preserved carefully for future use those things removed. And, in its last analysis, all that human ingenuity can perform in the realm of the physical is to change the position of matter.

AFTER the Sesqui had passed its peak and exhibiting concessionaires had begun to reflect upon its close, a group of executives from four furniture storage warehouse companies in Philadelphia, who had always been able to co-operate in amity, got together and considered at some length the possible and probable advantages of working in common to assist exhibitors requiring packing, shipping, transfer and storage service. A certain amount of surveying of the situation already had been accomplished and it was the belief of the group that they should be able to realize a good, divisible profit from their joint efforts in the field, which looked particularly attractive. The volume of business undoubtedly was there; the problem was how best to handle it once it had been secured.

The men who thus consulted were Frederic E. Aaron, proprietor of the Powelton Storage House; Frederick L. Harner, president of the Fidelity Storage & Warehouse Co.; William H. Protzman, vice-president of the 20th Century Storage Warehouse Co., and Walter E. Sweeting, president of the Atlas Storage Warehouse Co. The outcome of their deliberations and investigations was their formation into a committee to undertake the work of dismantling and removing exhibits, through pooling their interests.

THIS is a story of how four Philadelphia household goods warehouse companies incorporated themselves as a group to sell their service in aiding to dismantle the Sesquicentennial Exposition. Through their pooled activities, it is pointed out, they were able to transact business for about half what it would have cost each one to operate on the grounds individually.

While the work was in progress the allied committee was loath about making public the details of an experimental proposition. Today this cooperative job is history, and Mr. Lansing here presents the facts with the thought that they should be of interest to the industry generally.

The four firms which constituted "the Swarm of Dismantlers, crooning the requiem of the Exposition's perishable part," are the Powelton Storage House, the Fidelity Storage & Warehouse Co., the 20th Century Storage Warehouse Co. and the Atlas Storage Warehouse Co. The incorporated organization was known as the Sesquicentennial Transfer & Storage Committee.

To facilitate its plans, the committee adopting the name of the "Sesquicentennial Transfer & Storage Committee," organized in the form of a corporation and arranged to deal with the Sesquicentennial Exhibition Association exhibitors in co-operation with the Association's transportation department. Space was leased in Section 4, Group C, Building No. 2, on the grounds, located near the Spanish and Cuban exhibits, and an office and a good-sized stock room were established and equipped. Two solicitors, James M. Ellis, Jr., of the Atlas company, and William Miller, of the Fidelity company, were appointed to call on the exhibitors regularly, although intermittently as many as ten solicitors were thrown by the four companies into the field. A stenographer, Miss Henrietta Cohen of the 20th Century company, was installed in the office. The committee members met every few days and would take turns in calling on exhibitors and sizing up changing situations on the grounds. This, of course, in addition to the work of the employed solicitors.

A capable stock clerk was placed in charge of the stock room, in which were installed an electric saw and scales for providing the right quantities of materials. All purchasing was on a co-operative basis from the storage warehouses' regular supply companies. Barrels were

DISMANTLING THE "SESQUI"

41

bought by the hundred, excelsior by the ton, lumber by the truckload. Quantities somewhat in excess of immediate needs were kept on hand in the field stock room. One truck of 400 cubic feet capacity, operated by two men, a driver and helper, was used for outside express hauling, up-town deliveries and hauling cases and other stock about the grounds. The big vans of the four companies were used in common as needed and when units of each company were free from any individual work outside.

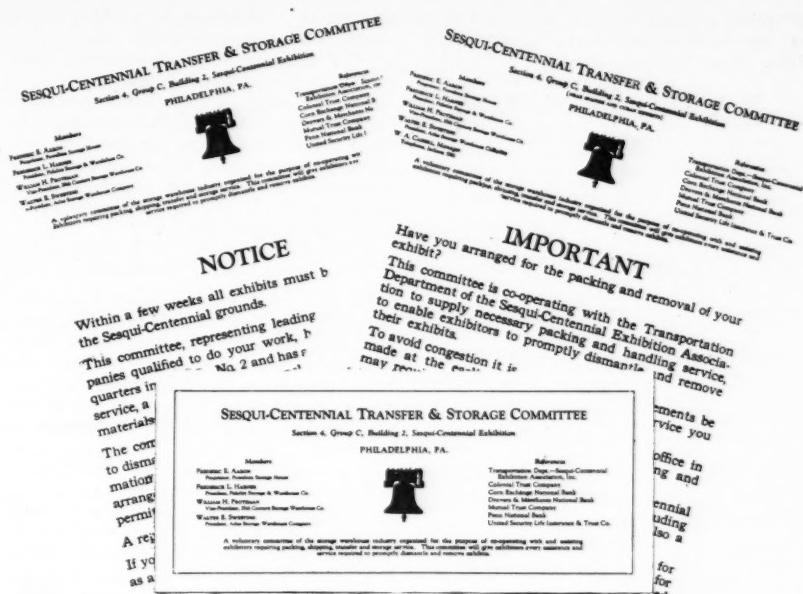
Start Made in October

The Sesquicentennial Transfer & Storage Committee's efforts, by its arrangement with the Sesqui association through its transportation department, were largely restricted to packing, moving, storing for the exhibitors, and selling them materials. Local hauling to warehouses, stores, or factories was permitted, but the committee was not allowed to haul to railroads, docks, piers, or express companies, the Sesqui transportation department retaining the right to handle that phase of the business, the authorities and the committee agreeing that the latter was not equipped for certain classes of hauling which could best be accomplished by means of open-body trucks.

The committee started on its plans early in October, but it was the first week of November before solicitation among the exhibitors was on in earnest, with every facility at the field office and stock room, for assisting them in the dismantling process. At first the committee bought freely of supplies for the stock room, but later reordering, of course, was controlled by the demands on it, and soon was gauged.

At the outset members of the committee alternated in managing the work at the field office, or whenever they could get there from their work up-town. It was soon seen that this was not a satisfactory arrangement, for very obvious reasons. Added to this difficulty, work at first was taken on a contract basis and the committee's early experiences along this line showed that, if this plan were continued, it could not be profitable, owing to interminable delays arising from the general confusion on the grounds; traffic jams on the Sesqui streets and especially at the gates; blockades in front of the various buildings; and vexatious losses of time in getting papers approved and in having passes honored, the authorities of one building often refusing to certify one pass issued by those of another, or one official declining to O. K. on his own authority a pass already certified by another official. Then, too, while the men were paid to work from 7 a. m. until 6 p. m., because of the delays mentioned and the additional fact that often exhibits to be moved were not in readiness at the time agreed upon, in practice they frequently could work only from 9 till 4.

These early experiences of the committee taught them, at considerable cost, two lessons:



Letters of solicitation issued to "Sesqui" exhibitors by the cooperative transfer and storage committee in Philadelphia. At bottom, card used by the solicitors

1. That, instead of being governed by the members working alternately, or "when possible," it would be necessary to install in the field office a manager in full charge of operations.

2. That the only profitable method of doing the work would be the establishment of a time and material basis, an hourly rate.

Accordingly, after consultation, the committee appointed as manager W. A. Cassell, secretary of the 20th Century Storage Warehouse Company, an experienced estimator and managing executive, and put into operation an hourly rate plan, the charges for service based on standard rates for materials, and the time actually spent on the job.

Frederick L. Harner, president of the Fidelity company, was chosen treasurer of the committee, and all money, checks and bills were turned over to him.

Forms Revised

Forms had early been drawn up and printed, but with the organization and new plans as now completed, the necessary revisions were made and the functioning of the committee proceeded smoothly. Solicitors were provided with cards, 9 x 4 inches, or standard blotter size, each card bearing the name of the committee, its location on the Sesqui grounds, the names and titles of the members, with the names of their individual companies; their references, comprising the transportation department of the Sesquicentennial Exhibition Association, Inc., and six prominent banks and trust companies; and the announcement that the committee was "A voluntary committee of the storage warehouse industry organized for the purpose of co-operating with and assisting exhibitors requiring packing, shipping, transfer and storage service. This com-

mittee will give exhibitors every assistance and service required to promptly dismantle and remove exhibits." All this also appeared on the committee's other forms and letterheads.

Text of Agreement

The form of agreement was as follows:

"TO FURNISH IN A FIRST-CLASS MANNER SERVICES AS DESCRIBED BELOW, SUBJECT TO THE FOLLOWING CONDITIONS:

"1—Our terms for transfer and packing are Cash, except when goods come to storage. Checks must be certified. The employee in charge of the work will have a receipted bill and payment shall be made during the course of the work.

"2—We reserve the right to accept or refuse any order for storage, transportation or moving of goods. We are not common carriers and limit our responsibility to ordinary care. The owner of property packed, stored, drayed or shipped under this agreement declares the value in case of loss or damage for any piece or package and contents thereof does not exceed \$50.00, and the total of any load does not exceed \$2,000.00. Our charge is based upon this representation. If the value is greater, the amount should be declared and a higher rate paid. The committee relies upon the representation of the owner or agent as to the value when he authorizes it to receive his property.

"3—The committee is not responsible for damage to fragile articles that are not packed, nor for loss or damage of contents of boxes, cases, trunks, barrels and other receptacles unless packed and unpacked by their employees.

"4—If shipping order, valuations, routing, etc., are incomplete, the committee is authorized to supply such omissions.

"5—Orders for storage are taken subject to the conditions that the depositor shall accept the rules and regulations of the warehouse in which the goods are stored.

"6—All claims must be made in writing within five days from delivery or receipt of goods in order to be recognized.

"7—Transit or other insurance secured only on specific written order."

Circular letters of solicitation were

compiled, printed in large type and sent to the various exhibitors at an early date. The first one read:

"IMPORTANT"

"Have you arranged for the packing and removal of your exhibit?"

"This committee is cooperating with the Transportation Department of the Sesquicentennial Exhibition Association to supply necessary packing and handling service, to enable exhibitors to promptly dismantle and remove their exhibits."

"To avoid congestion, it is essential that arrangements be made at the earliest possible date for any service you may require from this committee."

"Therefore, it is requested that you notify our office in Building No. 2 whether you will require packing and handling service or not."

"The committee has in stock, in the Sesquicentennial grounds, a full supply of packing materials, including crating lumber, excelsior, pads, barrels, boxes, etc., also a staff of packers and other mechanics."

"Charges for service are based on standard rates for materials and hourly rates for labor (charging only for the actual time on the job). Contracts will be executed in the order received."

"Prompt action is important."

The second letter read:

"NOTICE"

"Within a few weeks all exhibits must be removed from the Sesquicentennial grounds."

"This committee, representing leading Philadelphia companies qualified to do your work, has established headquarters in Building No. 2 and has available for immediate service a force of experienced packers, a stock of packing materials and a large fleet of trucks and vans."

"The committee will furnish any or all services required to dismantle and remove exhibits and will supply information pertaining to freight and express rates, make all arrangements for shipment, including securing removal permits, preparation of bills of lading, etc."

"A representative will call on you within a few days."

"If you require immediate service, call at committee office, as above."

The reaction to the letters and to the follow-up by the committee representatives was prompt and steady. Two or three days each week the principals took turns in solicitation work, adding their efforts to those of the employed solicitors. Not only was much work in the way of packing, shipping, transfer and storage secured, but the committee sold at reasonable rates a great deal of material of the kinds mentioned.

Van Service

The four companies' vans were equitably apportioned and sometimes as many as eight, from the group's garages, were busy on the Sesqui grounds at one time. The committee's manager would, as far as possible, line up the jobs a day in advance, find out how many vans and packers were needed on each job and, after arranging by telephone with the warehouses, have the men report from the warehouse companies up-town to the office on the Sesqui grounds, ready to work. It greatly facilitated the work for the manager to be able to know in advance how many vans and of what capacity, and how many packers and movers, could be spared from the warehouses. There was such smoothly working co-operation that all jobs went ahead expeditiously. All efforts were pooled without fail, even when one of the companies' previously regular customers would order a job done on the grounds. Any and all work was a "committee job," and the solicitors never failed to impress

DISMANTLING THE "SESQUI"

this on the exhibitors when they made their follow-up calls after the issuing of the circular letters, or when they called on their own initiative.

Foreign exhibits were boxed for shipment and domestic exhibits crated. In some cases special materials were required; for instance, zinc-lined cases and waterproofed wrapping paper, and occasionally there was special handling of large and fragile objects.

Order Out of Confusion

Because of the committee's high-class reputation, both as individual warehousemen and as a group; because of their thorough, widespread solicitation; because they were on the grounds and because they had all the necessary facilities for the work, by the first week in December they were almost swamped with demands from the exhibitors. While, as mentioned, the work ran smoothly, it sometimes took a great deal of advance effort to bring this about. The grounds were crowded with trucks and other vehicles of all sizes and capacities, many making for the same objective point at once, from various directions. And there were other difficulties. The weather turned cold, the buildings were unheated, and when the office force and workmen were not moving about they had to don overcoats and even mufflers and galoshes to keep warm.

If it had not been for the human interest side of the work, with plenty of amusing situations, there would have been gloomy periods as the grounds became more and more deserted. Straggling, late visitors would sometimes get a good laugh with the committee office force; when, for instance, a committee representative would announce to the manager:

"I've just come from China, after stopping at Austria and am now on my way to Cuba, and from there am going to Hungary," while the manager might reply "All right, but don't forget to call at Pittsburgh after lunch, as I told you this morning."

It is hardly necessary to state that all this referred to the exhibits, or buildings in which they were housed.

Among the exhibits handled by the committee were the following:

English, Japanese, Chinese, Czechoslovakian, Hungarian, Spanish, Austrian, Cuban, East Indian, West Indian, New York State, Illinois, Pittsburgh, and Roosevelt Memorial; and those of numerous commercial and industrial concerns, including the Baldwin Locomotive Works, Remington Typewriter Co., Edison Building, International Telephone & Telegraph Corp., Frick Company, Westinghouse Air Brake Co., Maxwell House Coffee Co., Associated Tile Manufacturers, the exhibits of several large oil companies and that of the Daughters of the American Revolution, as well as many others. Much machinery and many big showcases were removed and in the special handling class came the Roosevelt Memorial and the Japanese electric railway displays, which included large plaster relief maps.

In handling this multiplicity of business of extremely varied character, covering too wide a range to make any attempt at detailed or even classified enumeration on these pages, the Sesquicentennial Transfer & Storage Committee found its efforts decidedly worth while.

The members were able to keep overhead expense down to a minimum for each individual concern, entering the field, as they did, in a group. They estimate that through their pooled activities they were able to transact business for about half what it would have cost each one to operate on the grounds individually.

After the first few losses sustained in initial experimentation on the contract basis, they were able to do all their work at a good profit.

In mid-January the finishing work was still going on among the foreign exhibits, the last to prepare for removal. Foreign exhibitors had been invited to display their wares at a bazaar and exhibition in the Grand Central Palace, New York, Feb. 5-12. By New Year's Eve workmen had torn down the big entrance gates to the Sesqui grounds. Co-operation is what permitted the Big Fair to be and it was fitting that its closing and dismantling were rendered easier through an outstanding example of co-operation in the field of transfer and storage.

W. D. Magruder Succeeds Father

At a recent meeting of the board of directors of Graham's Storage Warehouse Co., Baltimore, the following officers were elected:

President and general manager, William D. Magruder.

Secretary and treasurer, Howard G. Warfield.

William D. Magruder, aged 25 years, thus becomes one of the youngest executives engaged in warehousing. He is the son of George D. Magruder, who was the company's president at the time of his death last spring and also president of the Maryland Furniture Warehousemen's Association.

Taft Again Heads Cincinnati Firm

All the officers and directors, the former including Robert A. Taft, as president, of the Cincinnati Terminal Warehouse Co., Cincinnati, were reelected at the recent stockholders' meeting and subsequent organization meeting of the board. H. V. Fetick is vice-president and general manager and Charles Ireland is secretary.

The company's business had shown considerable progress, according to the report made to the stockholders.

Le Roy, N. Y., Blaze

A small fire, with the estimated loss of \$1,000, covered by insurance, occurred recently in a plant of the Le Roy Public Warehouse & Storage Co., Le Roy, N. Y.

Are You Courting Court Expenses?

How the Law May Hit Your Trucking Costs Is Here Told

By PHILIP L. SNIFFIN

FOUR months ago a jury and Court in New York State awarded damages of \$20,000 to the widow of a man who had been killed in an automobile accident.

The man who was killed was a passenger on a truck. He had "thumbed" a passing delivery car and the chauffeur had obligingly stopped and taken him in. A short distance down the road the truck met with an accident. The passenger was killed and the chauffeur was seriously injured. The Court held that the owner of the truck must pay.

Legal technicalities are things that few of us know a great deal about. We know the difference between right and wrong and our sense of justice guides us fairly well along the road of life. But now and then we bump up against some point of law that we did not know about and the experience proves to be a costly one. Perhaps we do not agree with the justice of it. It may be something new that we had not heard about. Maybe we feel grievously wronged but we have no redress.

The Court holds that ignorance of the law excuses no one.

In the operation of delivery trucks the warehouse owner holds himself more liable to legal difficulties than in any other phase of his business. Here he has a number of

vehicles on the public highway, liable to countless breaches of the law, and here his fate is in the hands of drivers for whose actions he is legally bound. The driver is his agent, paid by him, and he is responsible for whatever the driver does while in his employ.

Many of the larger warehouse and transfer companies have only recently recognized the full importance of this. They are taking steps to cover themselves against the possibilities of big legal losses. Even at the expense of considerable time and money they have found that it is worth their while to keep posted on their liabilities and to protect themselves as far as they can.

Every user of one or more motor trucks should know just what his liabilities are. He should look into the subject and find out what kind of things he is apt to be held for. Then he can intelligently take steps to protect himself.

A careful reading of this article will help. The writer has seen a great many legal tangles caused by delivery departments and this article is intended to classify the causes of these tangles and to help the truck owner to know how he is liable and how he can protect himself against this liability.

How You Can Be Held

THE incident mentioned at the beginning of this article is typical of the sort of thing for which you should look out. It is one of those cases where the head should rule the heart. The many Court decisions in cases of this kind make it plain that in every case where a plaintiff is caused damage at the hands of any individual, any property or any equipment, hired or owned by any person or firm, that person or firm is held in strict account for the amount of the damages.

Don't forget that when a driver comes to work for you in the morning and leaves with his truck on his daily work, from that time on, until he finishes his work in the evening, legally that driver is *YOU*, and *YOU* are held responsible for whatever he does while he is performing duties for which he is paid by you.

There is never any question about this point of law when it comes up for trial. Whether it is an accident, a violation of some local or general ordinance, or an

act of fraud or misrepresentation, don't ever forget that, in the eyes of the law, you are the one who committed the act and you are the one who must make the redress.

The biggest and most frequent cause of trouble is the case of accident with damage to the person or property of others. Here, where the fault is with your driver, you are plainly held for damages and Court costs.

Several cases have come within the writer's observation where a driver has

THIS is the second of a new series of articles which, dealing with motor truck operation, maintenance, equipment, costs, etc., is being written for *Distribution and Warehousing* by Philip L. Sniffin, an advisory engineer who is a recognized authority in the field. The third will appear in an early issue.

left a truck on a hill, the brakes have become released and the truck has rolled down the hill with resulting damages. In a case of this kind, even though it could be proved that the driver exercised due care in setting his brakes, even though, let us say, a child had climbed into the truck and released the brakes, the owner of the truck is held responsible for all damage.

Fines and suspended or revoked licenses for traffic violations also cause a lot of trouble for the owner of delivery trucks. Every business has a certain amount of money every year charged off to delivery costs for Court fines.

Suspensions of licenses are also quite frequent and this means, of course, that the driver must be discharged and a new one employed, involving considerable expense and inconvenience in breaking in new men.

All in all, as will be discussed later in this article, it is profitable to take good care in hiring drivers and to see that they are instructed to obey traffic laws. One concern has this sign in large letters prominently posted in its garage:

OBEY ALL TRAFFIC LAWS. THIS COMPANY IS IN FULL ACCORD WITH EXISTING TRAFFIC REGULATIONS. REGARDLESS OF YOUR PERSONAL OPINION, THEY MUST BE OBEYED.

Meeting the Traffic "Cop"

SOME concerns do not know it, but they are being taxed considerably for the impertinence of their drivers. Perhaps you know from your own experience that the average police officer responds better to a gentlemanly, diplomatic attitude than he does to a hot-tempered, argumentative one. Truck drivers are too apt to forget this. Their first natural instinct is to "stick up for their side of it" and somehow to make a case for themselves.

I have talked with many traffic officers and they have often told me that they "wouldn't have given the fellow a ticket if he hadn't been nasty about it." I know of several concerns that have found it pays to pass on the idea to drivers that "a gentlemanly, good-natured attitude will accomplish far more than all the arguments in the world."

I think many concerns make a mistake when they let a driver appear in Court to answer his own traffic summons. In most cities the judge in traffic Court has a leeway running anywhere from a suspended sentence or a five dollar fine all the way up to fifty or seventy-five dollars, and his decision as to the amount of the fine depends on probably three things: the case, the way the case is presented and his good or bad humor at the time.

There is no question about the fact that the person who appears to answer the charge and the way in which he handles the situation have a lot to do with the amount of the fine.

I know of one firm that has appointed a young member of its personnel—known to be gifted in the art of diplomacy and well liked locally—as "Official Summons Answerer." He has made good on the job both because he saves money on fines and because the truck drivers like him and "don't like to come to him with a summons."

And while on the subject of fines—don't forget that your local political leaders are good men to know.

Drivers, of course, should be penalized or docked in some just way when they are fined for traffic violations. It is not altogether possible to make the driver pay his own fines, although some concerns are making this rule and paying slightly higher wages to cover it. Drivers generally consider this unjust and will not stand for it. At best, it is always a cause for argument and ill-feeling. The driver is certain to have plenty of excuses and he is certain to feel that, if the summons was for speeding, he was going fast only so that he might give better service to his employer.

The most satisfactory way to handle Court fine expenses and accident prevention is in connection with other driver incentives in a contest or bonus plan with merit and demerit points. A thing of this kind is not difficult to put in operation.

Pay the standard wage for the type of man you want. Keep an individual account of each driver's record. Pay the standard local wage for the type of man you want and allow a bonus of so much per month payable to the driver if his merit and demerit points are within a specified average.

How Demerit Plan Works

THE following is a description of the way in which one firm has successfully carried out a plan of this kind:

An individual record is kept on each driver; to this the employee may have access in the office of the assistant general manager. Credits are allowed for commendable acts, deeds of heroism, loyalty, good judgment in emergencies, and courtesy. Demerits are provided for an absence of these factors. An accumulation of 75 demerits results automatically in discharge from service. If extenuating circumstances exist and under proper authority reinstatement is approved, it will be with 50 demerits against the employee's record. A second accumulation of 75 demerits will result in permanent discharge.

The company sets aside a fund equivalent to \$5 a month for each driver, which is credited to the record of the individual and paid to him on Dec. 1 each year if he has sufficient merits to his record to justify it. Employees must have been with the organization continuously for six months to participate in the bonus. There is one exception to this rule. Employees laid off on account of reduction in force, through no fault of their own, are entitled to receive bonus *pro rata* for the period worked.

The merits are assigned on the following basis:

For meritorious service in avoiding accidents or unusual assistance or good judgment in emergencies, or any commendable act out of the strict line of duty, 10 merits are credited, on authorization of the head of department. A clear record for 6 months wins 15 merits.

The demerits are given for the following offenses:

	Offenses		
	1st	2nd	3rd
Missing route or reporting late for work	1	3	5
Disrespect or altercations with customers	5	10	10
Smoking on duty	1	5	10
Reading on duty	1	5	10
Inattention to duty	1	3	5
Careless driving	5	10	10
Failure to report accidents or defects coming to the attention of those whose duty is personally to report such	5	10	10
Criticizing management or policy of the company except to superiors	10	10	10
Lack of neatness	2	5	5
Signals imperfectly given and respected	3	5	5
Violating speed regulations	3	5	10
Rough handling	5	10	10
Failure to have proper lights, and in working order	3	5	10
Violating overloading regulations	3	5	10
Court fines and accident expenses demerited according to expense incurred and nature of case			

The garage superintendent of this company says:

"As an indication of how our merit system works out in one important respect, it may be interesting to note that 80 per cent of our drivers last year had

no accidents of any variety—not even the scratch of a fender."

Five Means of Protection

BESIDES the bonus demerit plan, there are four other good ways in which you can protect yourself against heavy Court costs. The five means of protection are:

1. Bonus demerit plans.
2. Careful selection of drivers.
3. Driver educational meetings.
4. Bulletins and posters.
5. Insurance.

The selection of driver should be handled carefully and systematically. And remember that a cheap driver may be easy to get, but he can do enough harm, to your business, more than to make up for his lower wages. The best policy by far is to set a wage a little above the average for your locality. Then you can afford to demand more of the applicant.

In one company every applicant who makes a favorable impression in an interview with the personnel officer of the company and gives surface indications of being likely material, must submit a list of his previous activities, as far as employment is concerned, for a period of five years. The personnel officer, through letters and personal inquiry, checks up on the record of the applicant, not in a casual, incidental way, but in a systematic and thorough manner. Preference is invariably given to married men.

The two salient things that are looked for in the analysis of an applicant center around the questions:

1. "Is he of a nature to yield to training and discipline, and to recognize and assume responsibility."
2. "Does he actually want permanent employment?"

Experience as a driver is a minor factor in considering an applicant's qualifications. The company's system calls for a thorough course of schooling before a man is given charge of a truck; and, while any previous experience in handling automotive equipment is of value to him, it is not essential.

When an applicant has been found, after inquiry, to be worthy of employment, he then is required to pass a complete physical examination.

Safety Meetings Reduce Risk

SEVERAL concerns are finding that they can cut down their accident liabilities by holding what they call "safety meetings" for their drivers. These are usually dinners held in the evening during which safety measures and methods of avoiding accidents and traffic violations are discussed. The H. C. Bohack Co. of Brooklyn, N. Y., recently held such a meeting at which the drivers met a traffic Court judge and heard his side of the story on traffic troubles. This company is holding safety meetings once a month and they have cut down accidents from the start.

Here is another good idea that helps to reduce the accident liability:

Any police officer will bear witness to the fact that no two stories of the same accident will agree in detail. Experienced truck operators likewise know how difficult it is to get a clear idea of what occurred from the description of the driver involved. To overcome this, and arrive more or less at the true facts of the case, J. A. Hanley, the well-known delivery superintendent of the Hudson Store at Detroit, has had made a model of a street intersection incorporating a variety of corners and crossings, with street car tracks and a traffic tower.

On this are placed miniature street cars, automobiles and trucks which can be located as desired. When the driver is reporting an accident, this board is placed before him so that he can demonstrate the conditions and relative positions of the obstacles involved, and an intelligent comprehension of the facts of the case is obtained. On several occasions this model has been of great value in Court.

Keep Drivers Posted

RECOGNIZING that the problem is largely in the hands of the drivers, one concern in Los Angeles puts the following message over to all drivers in

WAREHOUSE FINANCING

the form of a printed card in the truck cab:

"Most accidents are avoidable. We will not excuse accidents which are plainly your fault.

"You are instructed to report any accident or damage to property of any nature. Violation of this rule will not be excused.

"Avoid all arguments with officers, pedestrians and drivers of other vehicles. You gain nothing by them and they may react against you. If an argument of any nature develops, hold your temper; explain in a gentlemanly manner your side of the argument. If your explanation does not satisfy the other party, inform him that you are not authorized to settle these questions, but are instructed to deliver your load and return; give him your name, truck number and truck license number, and ask him to report the incident to the transportation manager. If the occurrence or accident is liable to be of a nature at all serious, obtain names of all possible witnesses, and then be on your way."

Insurance

INSURANCE is a thing on which the opinions of truck owners vary greatly. Although many truck owners will

not agree, it is the writer's unqualified opinion that no concern can afford to run a truck unless it can afford to have that truck insured on both personal injury liability and property damage policies. The risk is entirely out of control of the owner of the business. It is in the hands of the vague human element which is always variable; and as such, it is too great a risk for the owner to take.

The only other safe alternative in the writer's experience is for a concern to carry its own insurance, and this is sometimes done successfully where the fleet is a large one. An interest department bank account is opened and *at regular periods*, semi-annually, a deposit is made to this account, drawn from the business, equivalent to the amount of the premiums if they were paid to an insurance company. This fund is used to pay losses much as an insurance company would pay them; and very often, over a period of time, the idea will show a profit.

Under no circumstances, however, should a concern neglect to carry insurance without protecting itself to the greatest possible degree as explained in this article.

How the Launching of a Warehouse Financing Service Benefits Producer, Manufacturer and Jobber

By H. D. CROOKS*

Owner Crooks Terminal Warehouses, Chicago and Kansas City

CAPITAL was and at all times will be the prime essential in business. It is true that with a small amount of capital a business can be sound, and productive even of a large amount of profit, but the total amount of the profit is limited. An aggressive business man is not contented with this same amount of profit year after year, but strives to expand as rapidly as possible. With the same yield of profit each year and with various expenses and depreciation, comfortable living, etc., it is a difficult matter to set aside any generous amount for the promotion and expansion of the business in any noticeable way.

Countless firms have failed because of lack of capital, although the management was industrious and able and the product handled had very good merits, and the profit was good and the demand for it was plentiful. The failure came about simply because the organization did not know or did not take the correct step to make a successful financial connection.

On the other hand, we hear of cases every day where some venture starting out on a small scale grew to gigantic proportions because of a successful connection made with capital; a scheme that assisted and supported the business in a conservative but practical way and not a scheme whereby too great an obligation was assumed that only served to crush an otherwise well founded enterprise.

Financing stocks stored in public warehouses is not a new idea. It has been practiced for hundreds of years, but it is not well enough known and understood and not practiced in general to the extent it should be. Comparatively only a few industries are common users of negotiable warehouse receipts or avail themselves of the financing done direct by a financing warehouse. There are scores of industries that could operate under a warehouse financing plan very efficiently. The opportunities are almost unlimited.

A grower, manufacturer or jobber can avail himself of warehouse financing in some way or another.

The Crooks Terminal Warehouses of

Chicago and Kansas City are at present putting on an intensive campaign with the object of attracting various industries and pointing out the advantages of warehouse financing service and are prepared to make a survey of their particular situation to ascertain why a merchandise warehouse with a financing service cannot be of material assistance and actual means of promotion to their business.

There are times when a firm wishes to buy, but is forced to hold off a purchase because of a shortage of funds. There are again occasions when a firm must sell at low prices, although they know that, by holding off for a while, they could command a better price. A manufacturer is in a position at certain seasons to manufacture a product at a low cost, but cannot afford to do it because a ready market for this particular product does not exist and he is not financially able to hold the stock dormant.

Solutions for just such conditions can be found in warehouse financing.

(Concluded on page 60)

*Mr Crooks is a director of the recently organized Warehouse Securities Corporation.

FROM THE LEGAL VIEWPOINT

By Leo T. Parker

Technical Relief from Liability

A n important decision has just been handed down in which a warehouseman was technically relieved of any part of a \$31,000 liability.

In *Gibbs v. Redman Fireproof Storage Co.*, 249 Pa. 1032, the Court held that where a warehouseman issues certificates, without authority from the owner of the goods, and permits the person to whom the certificates are issued to remove the goods from the warehouse, the warehouseman and the person to whom the certificates are issued are *jointly liable to the owner of the goods*. However, it is interesting to observe that in this case the warehouseman was relieved of liability, because he proved to the satisfaction of the Court that an agreement existed, between the owner of the goods and the holder of the certificates, by which the latter agreed to pay for the goods which had been removed from the warehouse.

The facts of the case are that the Victory Rubber Co., Springfield, Ohio, consigned a carload of automobile tire casings and tubes to the Security Sales Co., in compliance with a regular order.

Testimony was introduced to prove that, after the proprietor of the Security Sales Co. had received the bill of lading, he negotiated with several warehouse concerns with a view to having the shipment stored when it arrived. Arrangements were made with the Redman Fireproof Storage Co., Salt Lake City, that the shipment was to be unloaded and placed in the latter's warehouse. The original agreement was made over the telephone and was verified by letters which were mailed to the warehouseman.

The Security Sales Co. entrusted the bill of lading to a man named Francis, with directions to deliver it to the Redman company. Also, at the request of the Security Sales Co., the warehouseman advanced the necessary money to pay the freight, and unloaded the car and stored the casings and tubes in the warehouse. The warehouseman and the proprietor of the Security Sales Co. had never made acquaintance.

Several months after the goods were stored in the warehouse the proprietor of the Security Sales Co. went to the warehouse and introduced himself. He stated that he desired to obtain two of the tires. The warehouseman informed him that at the time the tires and tubes were placed in storage the warehouse company had issued warehouse receipts for all of the tires in the name of the Utah Rubber Co. (owned by Mr. Francis) and had delivered the receipts to Mr. Francis. And, further, that all of

the tires, except 400, had been withdrawn, and that two warehouse receipts for the presently stored 400 tires had been negotiated to a local bank, which had notified the warehouseman to hold the tires and tubes to protect its claim.

The Security Sales Co. sued the Redman company for \$31,783, the value of the tires and tubes.

Testimony was introduced to show that none of the storage company's officers had had any conversation with the owner of the Security Sales Co. and that all negotiations were carried on with Mr. Francis, who brought the bill of lading to the warehouseman, and at the request of Mr. Francis the warehouse receipts were issued and delivered to him. Also, it was disclosed that the first certificate or receipt was for the entire carload, and at a later date Mr. Francis again appeared at the ware-

house. However, there was nothing in these contracts to indicate that the Security Sales Co. had conveyed to Mr. Francis any title or interest in the tires and tubes undertaken to be sold.

Also there was no record or any suggestion that the Security Sales Co. had authorized the Redman company to give receipts in the name of the Utah Rubber Co., of which Mr. Francis was the owner. Neither was there evidence that the Security Sales Co. had authorized Mr. Francis to have the goods placed in the warehouse under any other name than that of the Security Sales Co. in whose name the bill of lading was issued.

Concerning this part of the transaction, the Court plainly indicated the warehouseman's liability, and said:

"Nor is there any evidence that appellant (Security Sales Company) by his conduct, authorized Francis to have the goods placed in the warehouse under any other name than that of the consignee named in the bill of lading. We may exonerate respondent (warehouseman) from any intent to work an injustice upon appellant (Security Sales Company) by issuing the warehouse certificates as it did, or by permitting Francis to withdraw the merchandise so stored. The fact, however, the respondent (warehouseman) did issue warehouse certificates in the name of the Utah Rubber Company and permit Francis to withdraw the goods from its warehouse was, so far as the record shows, wholly unauthorized by appellant (Security Sales Company), and the act of issuing such certificates and permitting the goods to be withdrawn by Francis could not be binding upon appellant (Security Sales Company) and could not deprive him of his right to maintain an action for the value of the tires and tubes so permitted to be withdrawn, unless some subsequent act or conduct on his part defeats such right of action.

Immediately after the Security Sales Co. learned that the tires had been removed, and before the suit against the warehouseman was filed, the proprietor of the Security Sales Co. offered to the warehouse company the amount of charges due upon the storage and shipment. The payment of this money was refused, and the warehouseman also refused to deliver any of the tires or tubes to the Security Sales Co.

It was shown that a previous oral contract had existed between the Security Sales Company and Mr. Francis, by which the latter agreed to undertake to sell the tubes and tires, but the respective rights of the parties were not mentioned, except that Mr. Francis was to be allowed a commission on sales

What Don't You Know?

MR. PARKER answers legal questions on warehousing, transfer and automotive affairs.

There is no charge for this service.

Write us your problems. Publication of inquiries and replies gives worth-while information to you and to your fellows in business!

house and requested that the former receipt be changed and other receipts given. And two receipts covering 400 tires and tubes were separated from the original receipt.

Immediately after the Security Sales Co. learned that the tires had been removed, and before the suit against the warehouseman was filed, the proprietor of the Security Sales Co. offered to the warehouse company the amount of charges due upon the storage and shipment. The payment of this money was refused, and the warehouseman also refused to deliver any of the tires or tubes to the Security Sales Co.

It was shown that a previous oral contract had existed between the Security Sales Company and Mr. Francis, by which the latter agreed to undertake to sell the tubes and tires, but the respective rights of the parties were not mentioned, except that Mr. Francis was to be allowed a commission on sales

ent combined to deprive appellant (Security Sales Company) of the automobile tires and tubes which he had intrusted to respondent for storage. It must necessarily follow, therefore, in our judgment that Francis and respondent (warehouseman) were joint wrongdoers in depriving appellant (Security Sales Company) of his property. And it likewise follows that, unless appellant (Security Sales Company) has by some subsequent agreement or conduct relieved the respondent (warehouseman) and Francis, or one of them from their several and joint liability as wrongdoers, the appellant (Security Sales Company) had the right to maintain his action."

However, several weeks after the proprietor of the Security Sales Co. learned that the tires had been removed, he entered into a contract with Mr. Francis; the important clauses are as follows:

"Whereas, said party of the first part (Security Sales Company) is now indebted to the Victor Rubber Company for the purchase price of said shipments of tires and tubes as aforesaid, so delivered to the party of the first part, which said indebtedness is evidenced by trade acceptances in the sum of \$31,783.05..... and the party of the second part (Francis) hereby agrees to pay to the party of the first part (Security Sales Company)..... a sum of money equal to the difference between the invoice price of said shipments of tires and tubes.....and such amount, whether cash or credit, as may be realized by the sale or other disposition of tires and tubes now in possession of, or under control of, said (Security Sales Company) first party."

A responsible party named Soule, guaranteed that Francis would in all respects perform the obligations assumed by him in the contract.

It is interesting to note that the Court held that without the existence of this contract (by which the Security Sales Co. changed Mr. Francis's liability), the Security Sales Co. could have held the Redman company for one-half of the cost of the tires. However, the Court, in holding the warehouseman not liable, said:

"It seems reasonably clear that the contract, interpreted in the light of all the surrounding circumstances, was such an agreement as substituted the liability of Francis as a wrongdoer for a liability based upon contract, and, to that extent, released Francis from any liability based upon his wrongdoing. If it released Francis, then, under the authorities, the respondent (warehouseman) is likewise released from any liability which arose from its wrongdoing in connection with Francis. . . . By the terms of the contract of the appellant (Security Sales Company) received, not only the contractual obligation of Francis to make good the value of the merchandise, but a guarantee on the part of Soule that Francis would carry out, and satisfy, the contract then made. No other conclusion or inference is deducible from the terms of the con-

LEGAL

tract and the facts . . . the appellant (Security Sales Company) received such contract and the obligations assumed thereunder by the other parties to it in payment or satisfaction of any claim that he theretofore had against Francis by reason of his wrongful conversion of appellant's (Security Sales Company's) goods."

Warehouseman's Right to Sue

IN *Yrisarri v. Clifford*, 249 Pa. 1011, the Court held that the keeper of goods has a legal right to sue and recover from a wrongdoer the value of goods stolen or damaged while in storage. The Court quoted:

"The law seems to be well settled that the bailee (warehouseman) of personal property may recover compensation for any conversion of or any injury to the article bailed while in his possession. * * * Where a suit is brought by a bailee (warehouseman) against a third person for loss or injury to the subject of the bailment, the former's right to damages is not limited to his special interest in the property, but the general current of authority appears to hold that the bailee (warehouseman) is entitled to damages commensurate with the full value of the property taken or the degree of injury sustained."

A Bailment Decision

IN *Kittay v. Cordasco*, 134 Atl. 667, the litigation involved the liability of a keeper of property who expects to sell it at a profit. Usually a keeper of property without pay is liable only where the loss is occasioned by his gross negligence, but in this case the Court held:

"Obviously, and in fact as it is admitted, under these circumstances the bailment was for the mutual benefit of both the bailor (owner) and the bailee (keeper), and consequently the rule of liability for gross negligence or fraud only which prevails, where the bailment is purely gratuitous on the bailee's part, has no application. A bailee (keeper) for hire, or for what in legal contemplation is the same thing, namely for the mutual benefit of both the bailor (owner) and the bailee (keeper), is liable to the bailor (owner) for ordinary negligence, on the bailee's (keeper's) part, which causes the loss of the subject of the bailment."

Receipt Size Not Essential

LEgal EDITOR, *Distribution and Warehousing*: Do you know whether the law requires a warehouseman to issue warehouse receipts on a special size sheet?—*Warehousing, U. S. A.*

Answer: It has been held on numerous occasions that a warehouse receipt is a contract between the parties. I am not aware of a law requiring a warehouse receipt to be printed on a special size sheet.

Moreover, if such a law was enacted it is doubtful if it should be valid, because the wording of the receipt, and not its size, is its only legal importance.

Embezzlement Is the Offense

IN *State v. Folger*, 210 N. W. 580, the litigation involved the non-payment of money received from the sale of goods which had been placed in storage. After the goods were in storage the owner authorized the keeper to sell them at a specified price. After the sale was made the owner attempted to collect money from the sale. However the seller did not pay the proceeds, but continued to delay the payment by stating that he had not yet received the returns from the sale. The Court held the offense to be embezzlement.

The decision was based upon the following statute:

"Whoever embezzles or fraudulently converts to his own use, or secretes with intent to embezzle or fraudulently convert to his own use goods, or property delivered to him which may be the subject of larceny, shall be guilty of larceny and punished accordingly."

Acceptance of Money by Shipper

IN *Annum v. Cincinnati Northern*, 153 N. E. 522, it was disclosed that a shipment was mistakenly delivered by a carrier to a wrong person. After some changes the shipper permitted the shipment to be delivered and accepted the purchaser's check as part payment.

Later when the party refused to pay the balance due, the shipper attempted to hold the carrier liable. But the Court held that, in accepting the check as part payment, the shipper had ratified the delivery, and that the carrier was not liable.

Carrier Not Liable

IN *Gruenwald v. American Ry. Express Co.*, 217 N. Y. S. 767, the litigation involved a shipment of goods damaged in transportation. A clause in a special contract between the shipper and the carrier read as follows:

"The shipper of said property hereby releases and discharges the said company from all liability for the delay or loss of, or damage or injury of, said property from any cause whatever, unless any such delay, loss, damage, or injury shall be proved to have been caused by the company or by the negligence of its agents and employees. . . ."

The shipper claimed the sum of \$700 damages for goods injured while being transported from New York to St. Louis. However, the Court held the carrier not liable, and said:

"Where there is an express contract, the terms of the contract control, since both the bailor and bailee are entitled to impose on each other any terms they respectively may choose, and their express agreement will prevail against a general principle applicable in the absence of such an agreement. Usually the plaintiff, in an action such as this, sustained the burden of proof by showing the delivery to the carrier in a proper condition, and by showing the delivery by the carrier in a damaged condition."

WHAT'S WHAT IN NEW BUILDINGS

106

Lincoln Storage Warehouses, Inc.

East Orange, N. J.

THE Lincoln Storage Warehouses, Inc., East Orange, N. J., have added another fireproof unit to their group—a seven-story structure of Romanesque design 50 by 104 ft. at 75-77 Main Street.

In the planning of this building many features were incorporated in the design to increase efficiency of operation and to minimize the amount of lost space. A driveway between two of the present structures admits the vans to a nopen court, permitting three vans to unload or load at the platform in the rear at one time. The stair exit is also to the rear, thus avoiding cutting up the front of the office space.

The tile and joist construction of the first and second floors gives a smooth ceiling free of column flares and drops.

The basement has a large packing room under the loading platform, the several windows giving good light and ventilation. Two electrical-driven saws and a built-in platform scale are conveniently placed. A workmen's lavatory, a boiler and coal room and a concrete vault for packing materials occupy the rest of the rear portion of the basement. The balance of the basement is shut off by fire doors, to be utilized for storing lots to be packed for shipment or goods already crated.

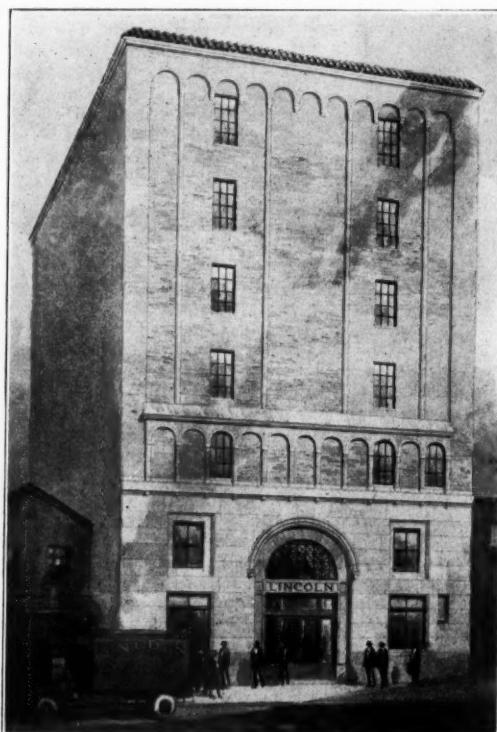
Fire doors lead from the front portion of the basement into the basement of the furniture store adjacent, thus permitting lumber to be stored there or brought through to the packing room without disturbing the packing operation.

On the first floor are commodious offices entered upon from the lobby. The Romanesque treatment of the exterior, with its large semi-circular entrance arch, is reflected inside by a barrel arched ceiling to the lobby, and large semi-circular arches with travertine marble trim lead from the lobby to the several departments.

The walls are treated with crafex. The magnesite floors with their pleasing pattern in browns bordered by a travertine base make for attractiveness and impart a warmth to the atmosphere.

The archway on the left opens into the real estate department, complete with its files, map and atlas tables for the efficient operation of the business.

The archway to the right of the lobby opens into a waiting room where customers may do any writing or telephoning they desire. A lavatory is adjacent.



and supervised by Lewis & Leonard, 51 East Forty-second Street, New York City, specialists in warehouse design.

Are You Erecting a New Public Warehouse?

THE purpose of this "What's What In New Buildings" series is to enable storage executives to become familiar with new features of construction.

If you are erecting a new plant, have your architect prepare text descriptive of the building and send it, with a picture, to *Distribution and Warehousing*, for incorporation into this series.

Let us pass this information on to the industry for you—you, meanwhile, should read what your fellow-warehousemen are doing along this line.

WITH THE ASSOCIATIONS

HERE is presented in tabloid form the Association news that is *of general interest* to the industry as a whole. No effort is made to present complete reports of all Association meetings; the dissemination of such information is logically the work of the officers and the committee chairmen. What is presented here is in effect a cross-section review of the major activities so that Association members may be kept advised as to what "the other fellow" elsewhere in the country is thinking and doing. When annual or semi-annual meetings are held, more extended reports will occasionally be published.

Articles of Association Adopted by American-National Council

ARTICLES of association of the Council of Warehousemen's Associations—the cooperative agency which "ties at the top" the American Warehousemen's Association and the National Furniture Warehousemen's Association for their mutual benefit and protection—have formally been adopted by these two major trade bodies of the industry.

At the Kansas City convention of the American in January the text of the articles was presented on behalf of Clarence A. Aspinwall, Washington, D. C., treasurer, by Joseph W. Glenn, Buffalo, then vice-president. The American's directors had already approved it, and at Kansas City it was adopted.

At the Biloxi convention of the National in January it was read by Ralph J. Wood, secretary, and was adopted on motion by H. C. Goodman, Birmingham.

Article I

NAME

THE name of this organization shall be The Council of Warehousemen's Association.

Article II

PURPOSE

THE object of this organization shall be to consider and act upon all matters of common interest to the various branches of the industry, namely: merchandise, cold storage and household as represented by The American Warehousemen's Association and The National Furniture Warehousemen's Association. The Council shall have such powers as may be delegated to it by each Association.

Article III

POLICY

IT shall be the policy of the Council to promote good will and cordial relations between the Associations parties to these Articles, and to initiate, develop and to render decision upon all matters affecting the common interests of said associations. The Council shall not, however, commit the parent associations to any action or pledge that shall conflict with their respective constitutions and by-laws, or that shall change existing policies of such associations, without first receiving the necessary authority to do so. It shall be the duty of the Council to promote insofar as possible cordial relations between the respective branches of the warehouse industry and the public which it serves.

Article IV

MEMBERSHIP

MEMBERSHIP in this Council shall consist of five representatives from each Association, namely: The General President, First Vice-President, Secretary and Treasurer of the American Warehousemen's Association; The President, Vice-President, Secretary

and Treasurer of The National Furniture Warehousemen's Association; and in addition one representative from each Association to be appointed by the respective Association presidents.

Article V

OFFICE OF THE ASSOCIATION

THE office of the Association shall be in the city or town in which the office of the Secretary is located.

Article VI

OFFICERS

THE officers of this Council shall be: Chairman, Vice-Chairman, Secretary, Treasurer.

Article VII

DUTIES OF OFFICERS

THE Chairman shall preside at all meetings of the Council and in his absence or incapacity the Vice-Chairman shall preside. Secretary shall keep a record of all proceedings of the Council and shall cause copies of all minutes to be sent to the secretaries of the parent Associations with the request that such minutes be published in the official bulletins of the respective Associations.

The Treasurer shall receive and disburse such funds as may be allocated to the Council by the parent Associations, and disbursements made in behalf of the Council shall be subject to the approval of the Chairman.

Article VIII

ELECTION OF OFFICERS

THE Council shall elect, at its annual meeting by ballot, either of the presidents of the parent Associations to serve as Chairman for a period of not less than one year, or until his successor is elected and duly qualified; and shall also elect, by ballot, at the same time, a Vice-Chairman, Secretary and Treasurer to serve for one year, or until their successors are elected and qualify.

Article IX

EXECUTIVE COMMITTEE

THE Council may elect or appoint an executive committee consisting of three members, such committee to have full power to act, between meetings of the Council. Two members of the executive committee shall constitute a quorum.

Article X

MEETINGS

THE Annual Meeting of the Council shall be held at a time and place to be selected by the Chairman, subject to the approval of the executive committee; preferably in conjunction with a meeting of the parent associations alternately.

Two Chairman shall issue a call for a Special Meeting at any intervening date when in his judgment conditions warrant doing so, or when a majority of the members of the Council request him to do so. The date and place of such Special Meeting shall be subject to approval of the majority of the members of the Council.

Article XI

FINANCES

THE Council shall be provided with a General Fund of one thousand dollars which fund shall be paid to the Treasurer of the Council, one-half each by the National Furniture Warehousemen's Association and the American Warehousemen's Association.

If the Council shall be charged with special obligations necessitating financial outlay then the Council shall decide by two-thirds vote how and in what manner such funds shall be collected from the parent associations, all subject to the general rule that such financial obligations shall be prorated in accordance with benefits derived. For such purposes funds received shall be known as Special Fund A, Special Fund B, etc.

No financial obligations may be incurred by the Council for purposes other than current office or traveling expenses of its mem-

WITH THE ASSOCIATIONS

Distribution and Warehousing
March, 1927

bers except by prior approval of the Board of Directors of the respective parent Associations.

The Council may allow its members necessary traveling and hotel expenses for meeting purposes of other Council requirements, and may compensate its officers for such current expenses as may in its judgment be necessary for the conduct of the affairs of the Council. Such current expenses shall be paid by the Treasurer from the General Fund and he shall from time to time, as conditions necessitate, make requisition for reimbursement at one-half each upon the Presidents of the respective parent associations.

Article XII

QUORUM

SIX members shall constitute a quorum of the Council.

Article XIII

AMENDMENTS

THESE Articles of Association or any part of them may be altered, amended or repealed at the Annual Meeting of the Council or at any Special Meeting, by a majority vote of the members present, written notice in all cases having been given at least thirty days previous to the date of said meeting of any proposed amendment and setting forth in full such proposed alteration or amendment or repeal. Any changes in these Articles of Association shall be subject to ratification by the parent associations.

Grand Rapids

THE Transfer and Storagemen's Association of Grand Rapids, Mich., at its recent annual meeting elected as president Andrew DeGroot, president of the A. DeGroot & Sons Storage Co. Martin Gelock, of the Gelock Transfer Co., was chosen first vice-president, and Harry R. Wells, manager of the Security Storage & Transfer Co., second vice-president. E. M. Radcliffe, owner of the Radcliffe Storage Co., was elected secretary-treasurer for the twenty-fourth consecutive time.

The association went on record as favoring a stationary license fee, a reduction of the weight tax, and an increase in the gasoline tax to three cents a gallon.

Kansas City

THE Kansas City Warehousemen's Association held its annual meeting at the Kansas City Club on Jan. 28 and reelected as president William A. Sammis, secretary of the Central Storage Co. Other officers chosen are O. W. Thomas, secretary of the A-B-C Fireproof Warehouse Co., vice-president and chairman of the household goods division; Lee Jones, treasurer of the United Warehouse Co., vice-president and chairman of the merchandise division; E. M. Dodds, of the Dodds Cold Storage, vice-president and chairman of the cold storage division; and A. V. Cresto, secretary of the Federal Van & Storage Co., secretary and treasurer. Elected as directors are John A. Groves, president of the Groves Storage Warehouse Co., Inc.; N. S. Beebe, secretary of the Beebe Storage & Moving Co.; J. R. Hulse, of the Hulse Transfer & Storage Co., and W. W. DeJarnett, of the Murray Transfer & Storage Co.

The three divisions, through their chairmen, reported on the work of the year. The household goods division emphasized the household goods booklet which the members have put into use

during the year, the purpose being to price various kinds of services, making the estimates entirely on these fixed prices and thus doing away with the old-time competition and cut-throat bidding. The success of the booklet has been unquestioned, and after using it for a number of months the Kansas City household goods men feel that a better thing has never been done for the industry. The cold storage and mer-

Samuel G. Spear



Reelected president of the Massachusetts Warehousemen's Association

chandise divisions made their reports, telling of general business conditions in the two lines.

The cooperative advertising in the telephone book was the subject of a report. A few months ago the warehouse executives of the various divisions went to the telephone officials and explained to them the situation with reference to the three classifications of warehousemen, and urged the classification of these three divisions under three different heads in the classified section of the directory. This plan was adopted by the 'phone company, and now there is no possibility of a customer in search of storage space for his household goods calling a cold storage warehouse or a merchandise house. The various storage plants run their telephone directory advertisements in conjunction with this classified list in the telephone book.

A financial report showed that the finances in connection with the A. W. A. convention were entirely cared for.

Massachusetts

THE annual meeting of the Massachusetts Warehousemen's Association was held at the Exchange Club in Boston on Jan. 27 and officers for the new year were elected as follows:

President (re-elected) Samuel G. Spear, treasurer Wiggin Terminals, Inc., Boston.

Vice-President, William B. Mason, vice-president Merchants Cold Storage & Warehouse Co., Providence, R. I.

Treasurer, Tarrant P. King, president Northern Avenue Stores & Dock Corporation, Boston.

Executive committee members, John S. Gerety, president Northeastern Storage & Distributing Co., Worcester; Warren B. Hibbert, secretary Metropolitan Storage Warehouse Co., Cambridge; John L. Nichols, vice-president Merchants Warehouse Co., Boston, and Gardner Poole, president Quincy Market Cold Storage & Warehouse Co., Boston.

Reports by President Spear and the secretary, Olin M. Jacobs, Boston, showed the association to be in a flourishing condition, with prospects bright for the new year.

The by-laws were amended to provide that "any person having rendered distinguished service to the warehouse business and not actively connected with any warehouse company, may, in recognition of such service and upon recommendation of the executive committee, be elected an honorary member of the association by the unanimous vote of the properly designated representatives present at any meeting, provided that notice of the recommendation shall have been given in the call of said meeting. Said honorary members shall pay no dues but shall be entitled to receive the bulletins of the association and to attend all regular meetings. They shall not be entitled to vote."

The association voted in favor of a State gasoline tax. Discussion indicated that the consensus of opinion was in support of Gov. Fuller's plan of a gas tax with a reduction of automobile registration fees. Stephen H. Whidden, John L. Nichols and Gardner Poole, all of Boston, were appointed a committee to prepare recommendations on this subject.

—S. F. Holland.

New York Furniture

AT the annual meeting of the New York Furniture Warehousemen's Association, held on Jan. 10, officers for 1927 were elected as follows:

President (re-elected), Ernest H. Milligan, vice-president Lee Brothers, Inc.

Vice-President, Barrett C. Gilbert, manager Gilbert Storage Co., Inc.

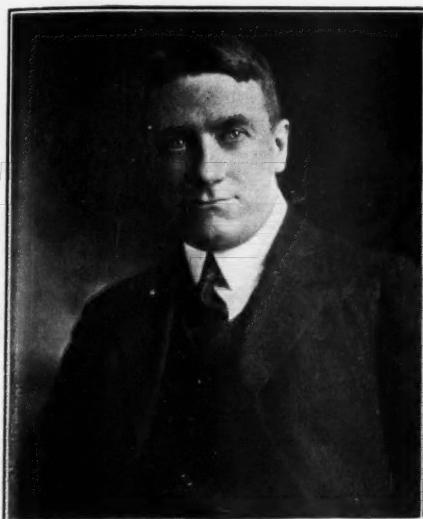
Secretary (re-elected), William T. Bestwick, president Thomas J. Stewart Co.

Treasurer, William R. Wood, secretary Liberty Storage & Warehouse Co.

Directors, the officers and the following:

For one year, Charles S. Morris, president Metropolitan Fireproof Warehouses, Inc.; George Kindermann, president Julius Kindermann & Sons, Inc.; Albert Fink, secretary L. Fink & Son, Aetna Storage Warehouses, Inc., Brooklyn. For two years, Grant Wayne, manager West End Storage Warehouse; Thomas F. Murray, president Day & Meyer, Murray & Young, Inc.; Rudolph C. Knipe, Jr., vice-president Chas. D.

Ernest H. Milligan



George Sebold



D. R. Crotsley



Three eastern State organizations retain their presidents each another term—Mr. Milligan of the New York Furniture Warehousemen's Association, Mr. Sebold of the New Jersey Furniture Warehousemen's Association and Mr. Crotsley of the New Jersey Merchandise Warehousemen's Association

Strang, Inc., Brooklyn. For three years, William A. Meikleham, vice-president Manhattan Storage & Warehouse Co.; Harry W. Wastie, manager Brooklyn Storage & Warehouse Co., Brooklyn; Louis Schramm, president Chelsea Fire-proof Storage Warehouses, Inc.

At the New York organization's February meeting, held at the Aldine Club on the 14th, the principal theme of discussion was the National Furniture Warehousemen's Association's eastern branch of the inter-city removals bureau. This long distance agency was opened a week later with offices, in charge of William S. West as manager, at 2067 Broadway, near 72nd Street.

Barrett C. Gilbert, New York, chairman of the inter-city removals committee representing warehousing associations in the East, took charge of the discussion. Henry Reimers, Chicago, executive secretary of the N. F. W. A., read the rules under which the National's central division bureau operates. Mr. Gilbert announced that it had been decided to standardize, for the present, on three sizes of van—600, 800 and 1000 cubic feet—and that the committee was considering advertising under "Moving" in local newspapers; he explained that some of the "bad competition" advertised there.

Frederic E. Aaron, Philadelphia, eastern district chairman, said that the eastern warehousemen in inaugurating the bureau were simply trying to compete with conditions as they were, in an effort to retain long distance moving as part of the business. He asked for an honest and fair trial of the eastern bureau and predicted that the bureau would work out satisfactorily after the weaknesses had been eliminated based on experience.

The discussion showed that the average van in New York City was about 500 cubic feet in size, and some of the

New Yorkers questioned whether the bureau should standardize on vans as large as 600 to 1000 cubic feet, as they felt this would encourage the building of larger vehicles.

Mr. Aaron declared that 85 to 90 per cent of the members of the Pennsylvania Furniture Warehousemen's Association would give the bureau a thorough trial, abiding by the rulings meanwhile, and that the members expected to show a profit. The committee's plans were supported also by other out-of-town warehousemen present, including W. Fred Richardson, Richmond, Va.; W. Walter Dolan, Pittsburgh, and E. G. Mooney, Hartford, Conn.

Mr. Reimers in a talk outlined some of the concrete results of N. F. W. A. activities. He announced that a series of educational programs on costs and accounting would be brought by the National to the various local associations; that a booklet covering law cases of interest to furniture warehousemen would be prepared by the legislative committee, headed by William T. Bostwick; and that illustrated articles on stages of packing household goods would be prepared, some in placard form for display in the warehouse packing rooms. Alluding to the central division's removals bureau, he said the members made a profit of from \$20,000 to \$25,000 in commissions last year; the bureau had increased their inter-city business, he stated, adding that he believed the bureau to be one of the greatest achievements in the National's history and that eventually it would enable the members to get a greater volume of business and do long distance work at more nearly competitive rates.

In his report as chairman of the legislative committee William R. Wood brought out that the Massachusetts automobile compulsory insurance law,

which went into effect Jan. 1, does not apply to vehicles entering from other States for periods shorter than thirty days.

With regard to insurance, Mr. Wood said the insurance companies were going to issue a policy under which warehousemen would be given permission to place automobiles in dead storage and also giving permission for loading and unloading vehicles on the warehouse premises.

—K. B. S.

New Jersey Merchandise

AT the annual meeting of the New Jersey Merchandise Warehousemen's Association officers and directors for 1927 were elected as follows:

President (re-elected), D. R. Crotsley, vice-president Lehigh Warehouse & Transfer Co., Inc., Newark.

Vice-President, Eno Campbell, vice-president Campbell Stores, Hoboken.

Second vice-president, F. W. Stokes, manager Newark Warehouse Co., Newark.

Secretary, F. S. Shafer, secretary Essex Warehouse Co., Newark.

Treasurer, Frank Stoecker, Passaic Transportation Co., Newark.

Directors, the officers and R. A. Adams, vice-president Union Terminal Cold Storage Co., Inc., Jersey City; Harry C. Lewis, secretary Merchants Refrigerating Co., Newark; Eugene W. Lewis, treasurer National Cold Storage Co., Inc., Jersey City; C. E. Fink, Bayway Terminal, Elizabeth; Albert B. Drake, secretary Lehigh Warehouse & Transfer Co., Inc., Newark; Alex Moir, vice-president Merchants Refrigerating Co., Newark and Jersey City.

The value of associational activities was stressed in a talk by George Sebold, Elizabeth, president of the New Jersey Furniture Warehousemen's Association.



Scene at the banquet held in the Hotel Berwick, Newark, at the annual meeting of the New Jersey Furniture Warehousemen's Association on Jan. 13

San Francisco

A. P. HEISE, president of the Peninsula Warehouse Co., was elected president of the Warehousemen's Association of the Port of San Francisco for the fourth successive term, at the annual meeting and banquet of the organization at Cafe Marquardt, San Francisco, in January. Other officers were re-elected, L. A. Bailey being chosen secretary for his fifteenth year.

Sixty-three members of the association sat down to the banquet in the evening, with William A. Sherman, president of the Board of State Harbor Commissioners, and Kenneth A. Millican, of the Pacific National Bank, as the speakers.

The outlook for the current year in all forms of warehousing on the Pacific Coast is particularly favorable, according to President Heise, who, in his annual message, urged closest co-operation among warehousemen in meeting the constant obligations of the industry, and when serving the public as custodians of its merchandise.

"Service and security are the prime desires of the storing public," said Mr. Heise, "and the sagacious warehouse patron is coming in greater and greater numbers to choose his warehouseman by the same standards that he does his banker. It behoves the warehouseman, then, to adopt the methods and the standards maintained by the best of bankers for his own business."

Credit for much improvement in warehousing conditions, both for the benefit of the public and for the advancement of the industry, was given to the association by the re-elected president. Conditions commensurate with changes and increases in the flow of commerce through the warehouses of San Francisco and contiguous territory have been met with improved methods, and the warehousing industry is on a firmer and better-equipped footing in this region than ever before, Mr. Heise declared.

—H. H. Dunn.

Missouri Meeting April 22-23

The annual meeting of the Missouri Warehousemen's Association will be held in St. Louis on April 22 and 23, it is announced by the secretary, A. H. Ameling, St. Louis.

New Jersey Furniture

THE New Jersey Furniture Warehousemen's Association at its annual convention, held in Newark in January, reelected its officers and returned to the board of directors the men whose terms had expired, as follows:

President, George Sebold, vice-president Weimar Storage & Trucking Co., Inc., Elizabeth.

First vice-president, James E. Mulligan, secretary Knickerbocker Storage Warehouse Co., Newark.

Second vice-president, Frederick Petry, Jr., president Petry Express & Storage Co., Trenton.

Secretary, Frank J. Summers, Model Storage Warehouses, Newark.

Treasurer, Griswold B. Holman, secretary George B. Holman & Co., Inc., Rutherford.

Directors, Walter W. Hoffman, proprietor Hoffman Express & Storage Warehouse, Ridgewood; Norman M. Hotchkiss, president Summit Express Co., Inc., Summit; William T. Bostwick, president Thomas J. Stewart Co., Jersey City.

Wichita

A NEWCOMER to the ranks of the industry's trade bodies is the Wichita Transfer & Storage Association, Wichita, Kan., which, organized with nine charter members, may be the forerunner of a State association for Kansas. The officers are:

President, Roy Payne, Yellow Cab Transfer Co.

Vice-President, J. C. Cassell, president Cassell Transfer & Storage Co.

Secretary, Alva E. Smith, secretary

Southwestern Transfer & Storage Co. Treasurer, V. A. LeKron, president LeKron & Woodring Transfer & Storage Co.

The board of directors is comprised of the officers and U. O. Bryan, owner Bryan Transfer & Storage Co.

Charter member companies, in addition to the foregoing, are the City Transfer & Storage Co., Merchants Transfer & Storage Co., Rae & Bell Transfer & Storage Co., and the Red Ball Transfer & Storage Co.

Pennsylvania

LONG-DISTANCE hauling in its various phases, including the obtaining of return vanloads, was an outstanding feature of the discussions by the Pennsylvania Furniture Warehousemen's Association at its tenth annual meeting, held in the Hotel Lorraine, Philadelphia, on Feb. 8. The retiring president, Frederic E. Aaron, urged closer attention on the part of members toward this branch of the business, which, he pointed out, although rightfully belonging to the warehousemen, was in a measure slipping away into the hands of the companies engaged in trucking, some of whom were cutting prices, while new concerns were frequently entering the field. He made a plea that the members cooperate in securing pay loads in each direction, for the profit of all, and, in this connection, urged their concerted effort in supporting the aims of the new inter-city removals bureau, established in the East by the National Furniture Warehousemen's Association.

Methods of soliciting, selling and handling the customer for long distance business were ably set forth by John H. Molan, of the Atlas Storage Warehouse Co., Philadelphia, in a paper, "The Art of Salesmanship," in which he advised the estimator's assumption of the attitude of an expert called in for counsel and the sale to the customer of the intangible benefits of service, rather

than the physical qualities of the equipment.

That energetic action would characterize the new inter-city removals bureau for the eastern district, as well as in the central division of the N. F. W. A., was the assurance of Henry Reimers, Chicago, executive secretary of the National, who reviewed in detail the more important past activities of that body and enumerated some of the organization's plans for the immediate future, including the strengthening of local, State and regional associations; the injection of a definite system of arbitration into the local organizations, giving them power to decide their own disputes without recourse to the national body except in the case of disciplinary measures; the issuance of instructive printed publicity, and the outlining of a standard code of practice.

The following officers were unanimously elected:

President, Fred L. Harner, president Fidelity Storage & Warehouse Co., Philadelphia.

Vice-president, Charles G. DeLong, manager Monarch Storage Co., Philadelphia.

Secretary, W. A. Cassell, secretary Twentieth Century Storage Warehouse Co., Philadelphia.

Treasurer, Harvey J. Lutz, partner, Hildenbrand Bros., Philadelphia.

Directors, Buell G. Miller, president Miller North Broad Storage Co., Philadelphia; Charles A. Fitzpatrick, secretary North Philadelphia Storage Co., Inc., Philadelphia; Frederic E. Aaron, proprietor Powelton Storage House, Philadelphia.

About seventy-five members and guests were present when Mr. Aaron, retiring president, called the afternoon business session to order. He said in part:

"The general report of business from our members for the past year has been more or less satisfactory. Storage has fallen off somewhat, while hauling, on the whole, has increased. Packing and shipping have decreased; collections are normal.

"No new warehousing companies have entered the field in the last year, but the Atlas Storage Warehouse Co. has moved into its new fireproof building. The Advance Storage Co. has added three more floors to its present warehouse, and a new fireproof addition has been built to the Broad Street plant of the Miller North Broad Storage Co.

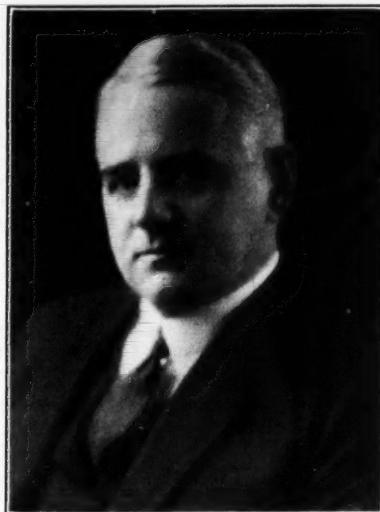
"Our attention should be especially directed at this time toward long distance hauling. This branch of the business, which rightfully belongs to the warehouseman, is, in a measure, slipping away into the hands of the van owners, or trucking concerns, who cater particularly to this long distance work. New companies are frequently entering the field, and the old trucking concerns are cutting prices to an unhealthy extent. To be assured of a profit in long distance hauling and compete with prices quoted, we must haul pay loads in each direction.

"I feel that this problem can be solved by the new inter-city removals bureau

WITH THE ASSOCIATIONS

that is going to be established in this district. There must be a decided, concerted effort made to retain this work and put it on a profitable basis. If loads can be successfully matched with our fellow warehousemen, it stands to reason that our profits will be increased. I certainly trust that all of our members are going to cooperate willingly

Fred L. Harner



New president of the Pennsylvania Furniture Warehousemen's Association

with the others in establishing this new bureau, and hope we can learn to give as well as receive.

"The sudden death of our faithful and efficient secretary, Charles G. Wightman, was a great shock and loss to us. His ten years of unbroken service and the willing assistance always rendered were valued to the greatest extent. He was held in the highest esteem and enjoyed the acquaintance and friendship for many years of warehousemen throughout the land.

"We also suffered the loss by death of John Dunn, of the Continental Storage Co., who died in November after a brief illness. Will you kindly stand for a moment or two in silence at this time to show respect for our departed members?

"It is with exceeding regret that I report to you that nothing has been accomplished in the adoption of a code of standard practice during my administration. I entered office with the fullest hope that, in addition to our warm friendships and congenial business relations with each other, we might cement together our bond of fellowship by adopting an acceptable working code for the good of our industry. I firmly feel that we are in need of such a code more now than ever before; and I ask you to support any action along this line that might be brought out in the future."

Secretary Cassell then read the report of the directors, prepared by Mr. Aaron in the absence of the chairman, wherein

it was stated that the suggestion of having maps printed, showing the location of warehouses and freight stations, and which were to have been sent to National association members, had been found impractical.

In the secretary's report, submitted by Mr. Cassell, which covered the ten months of the late Mr. Wightman, as well as the two months of his own incumbency, it was stated that there were 53 members at the close of the year, the same as in 1925, 24 members being located in Philadelphia and 29 throughout the State; that two Pittsburgh concerns, Halsey Bros. Transfer & Storage Co. and the White Transfer Co., had been elected to membership, while two Philadelphia concerns, the Victory Storage Co. and the Exchange Storage Co., had resigned, and one company had been suspended for unethical advertising.

The report of Treasurer F. L. Harner showed a substantial bank balance on hand and made some constructive suggestions relative to certain functions being made self-maintaining.

In the temporary absence of George J. Alexander, chairman of the laws and legislation committee, William H. Protzman told of correspondence with H. G. Walsh, secretary of the Pittsburgh association, in reference to a bill introduced in the State Legislature, to compel keepers, owners or proprietors of storage establishments to ascertain by certain means as to the lawful ownership of goods in their care, and as to whether there were any goods there, under lease by any of the installment houses; and, after ascertaining, to notify the installment houses if such were the case. Mr. Walsh, he said, had written to Secretary Cassell, calling his attention to the matter, whereupon the committee after some investigation, hearing that the measure was sponsored by the Home Furnishers' Association, Inc., of Philadelphia, got in touch, through Mr. Protzman, with Homer Davis, president of that association. Mr. Davis, when shown that this drastic bill was not at all like the bills which had been approved by the furniture warehousemen's association in February, 1925, which were to have been presented to the legislature, said there must have been a mistake, and later the Home Furnishers' secretary wrote that the wrong bill had been put in and that it had been withdrawn.

Buell G. Miller, reporting for the insurance committee, said a bill had been introduced in the State Legislature to make it necessary to carry liability and property damage insurance of \$5,000 and \$10,000.

John J. Hartey, chairman of the transportation committee, told of the association's decision to discontinue the practice of shipping by rail rugs wrapped only with burlap when included in household goods shipments, substituting the crating of rugs, such decision having been made after attention had been called by rail companies to damage by chafage through improper protection of the rugs. Observance of the

WITH THE ASSOCIATIONS

Distribution and Warehousing
March, 1927

proposed practice, he said, would doubtless overcome the annoyance of many claims for damages in long haul transit.

George A. Emig, chairman of the cost and accounting committee, urged the importance of proper cost and accounting records, and reviewed the conducting, last April, of the monthly meeting by the cost and accounting committee, at which time a representative of a firm of certified public accountants was present and presented his subject in an instructive manner, speaking on a yearly budget and distributing among his hearers copies of a booklet on budget control. Requests for copies from other members were filled after the meeting. Mr. Emig reported that representatives of this firm of accountants had interviewed practically all the members, five of the member concerns now using the complete N. F. W. A. cost accounting forms and two others having expressed their intention of purchasing the system. Other members, he said, were believed to be using the standard chart of accounts.

Mr. Protzman, reporting for the uniform methods committee, said that the only matters of importance handled by the committee had been a code of practice, which did not materialize; unethical telephone book advertising by members, and telephone book advertising by the association, the last-mentioned being the only item thus far meeting the unanimous approval of the association. The final analysis of this part of the work, he said, would be gone into in detail by the committee later. Mr. Protzman emphasized the importance of whole-hearted support of the committee in working out certain forms and contracts that could finally be adopted as a standard by the association.

Action Deferred

Chairman Protzman's report on the telephone advertising committee's work and plans brought forth the longest discussion of the session, in which many had a few words to say, including members from Pittsburgh and guests from New York. After it had been explained that the association had been authorized to spend \$100 per month for an association advertisement in the classified directory of the telephone company, for the benefit, of course, of Philadelphia members only, and Mr. Protzman had distributed sample proofs of proposed cuts, one for a single and the other for a double-column advertisement, together with cuts of a large and a small association membership symbol in seal form, to be used as desired in members' individual advertisements, there was a prolonged debate on whether it would be better to use the money in a lump for the large advertisement, under the heading, "Storage Companies," or to use two single-column advertisements per month, one each under the headings "Storage Companies" and "Moving Companies." Also, the matter of whether there should be a telephone number, for the secretary, in the association advertising, this number, however, to be different from the telephone number of

any furniture storage warehouse company, was discussed pro and con. Finally, the matter was tabled until the March meeting, on the eighth of the month, the committee being advised to work out an acceptable plan meanwhile.

The application of Christian J. Ludwig for membership was accepted.

Talk by Reimers

Mr. Alexander was then called on to give his report as chairman of the laws and legislation committee, he having appeared at the meeting since the preliminary explanation given by Mr. Protzman. Mr. Alexander corroborated what Mr. Protzman had said about the Home Furnishers' bill, and said that the committee had heard from the Home Furnishers through C. M. Swearer, who assured them that the Furnishers' representative had been instructed to withdraw the bill presented through error and introduce the bills already approved by the P. F. W. A. Mr. Alexander further reported the probable dropping of a bill passed by the 1925 legislature amending an old Act to extend motor transportation to express and transportation companies, and that the directors had promised to help the Pittsburgh association in the attempt by the State Auditor's department to collect taxes on gross receipts from warehouses.

Mr. Molan was then called on to read his paper, "The Art of Salesmanship."

Mr. Reimers, specially called on by the chair, gave his interesting review of the national association's important activities of the past, covering issuance of a book on the warehouse rights Act, written in "laymen's language"; of an accounting manual, the forms including those for truck operating costs; of a booklet entitled "Household Goods: Packing and Shipping Specifications"; of "correspondent shipping rules," and of members' reactions to these publications, as well as to a number of advertising pamphlets issued.

Mr. Reimers said that all contract forms, with the exception of those for long distance, had been standardized by the association, and in addition forms for the packing ticket and the transmittal letter had been standardized. The association, he continued, had been very active in insurance, and the committee had been successful in bringing down premiums through working along the lines of pitting one bidding factor against another. The association, he added, had now reached a stage where such tactics were not the best procedure and was centering more on the different individual policies, making a study of the various conditions in the individual plants and other factors that go to build up the high premiums paid for fire insurance, for instance. The association, he continued, had approved an automobile policy, resulting in a substantial saving of money from present premiums. The committee had been trying to learn if it was possible to buy insurance on a wholesale basis, figuring on making a saving, under such a policy, of more than \$100,000 a year.

Two plans of transit insurance poli-

cies, Mr. Reimers said, had been worked out by the association and the insurance committee, a careful estimate of the income to members for their commission on premiums running around \$125,000 a year.

"Of course, you all know about the inter-city removals bureau," he said. "It has been one of the activities of the association, and, in the central region during the past two years, members have derived possible additional profits, and it is very conservative, of about \$20,000 a year. That does not look very high, or like a great deal; but the main results—some of the intangible results—are the getting of additional business that they could not get heretofore, by operating and having their attention called to the business that was being taken away from them. They have been out after it more, and they have probably gained in that way as well."

"We expect to put more 'push' behind the central bureau, as well as more 'punch,' behind the eastern bureau, and we believe we are going to show some real savings to the members."

Mr. Reimers mentioned that the N. F. W. A. was more or less instrumental in introducing fumigation vaults, whereby it is figured that members have added to their income about \$50,000 a year, some 60 members having such a vault.

Other points in favor of the National's work and influence mentioned included the traffic committee's lining up of the railroads in a campaign for better packing, resulting in a great improvement in the acceptance of household goods by the railroad freight agents.

Then Mr. Reimers "peered into the future," as already recounted early in this report, telling how the association is planning to work up illustrations of articles in the stages of packing to supplement the household goods packing booklet, which illustrations may be printed in wall placard form for the benefit of packers, such illustrations, along with a number of descriptions, to be the minimum standard packing of the association, following which may come the hiring of an expert packer to visit members' warehouses and hold schools in various cities. The National's committee, he said, would outline an educational course in accounting, taking up one subject at a time, and asking the local associations to feature these subjects in their programs.

At the close of Mr. Reimers' remarks, Mr. Aaron stressed the special benefit through membership in the National in affording two conventions each year.

In the evening the banquet, attended by a large number of members and guests, including many from Trenton, Baltimore, Washington, New York and Atlantic City, was held, followed by a cabaret entertainment.

—K. H. Lansing.

Bartley Is Traffic Manager

J. S. Bartley has been made traffic manager of the Campbell Soup Company, Camden, N. J. The company distributes through public warehouses.

Duluth Terminal Handled 19,000 Carloads in 1926

MORE than 19,000 carloads of merchandise were handled through the McDougall Terminal Warehouse, Duluth, Minn., during 1926, as compared with 17,000 during 1925, it is shown in a digest of the company's annual report, recently made public. The handling of this tonnage ran the annual payroll nearly to the \$500,000 mark, the major portion of which was paid out in Duluth. A statement by H. T. Hoopes, secretary, says:

"The far reaching effect that the McDougall Terminal Warehouse and its subsidiary, the Minnesota-Atlantic Transit Co., has on the Northwest cannot be fully appreciated until a study is made of the traffic passing through the terminal during the course of a year.

"The operations of the boat line and the terminal call for the employment of about 500 persons, most of whom are Duluthians. Both companies are financed by Duluth capital.

"Our lake and rail line, the Minnesota-Atlantic Transit Co., operating the 'Poker Fleet' boats—Ace, King, Queen and Jack—was patronized by 45,000 shippers during the season just passed. The total value of cargoes carried during the season exceeded \$80,000,000. The average cargo is valued at \$350,000. The four boats of the fleet averaged twenty-seven round trips between Duluth and Port Huron, the line's eastern terminal, where freight is turned over to the rail carriers for its final run to eastern destinations. The fleet covered a grand total of 145,000 miles during the season of navigation, consuming 20,000 tons of coal.

"The eastbound cargoes were made up primarily of mill stiffs and dairy products. There are about eighty carloads of merchandise loaded aboard each trip or a total of 2,400 tons. Between 250 and 300 tons of this consists of butter and eggs.

"The westbound cargoes are made up of a conglomeration of foods and manufactured goods. Dates from Egypt, fish from Norway, toys from Germany, shoes from New England points, automobiles from Detroit, farm implements, lubricating oils, and thousands of other articles are unloaded at Duluth for points in the Northwest.

"In addition to the cars handled for the boat line, the McDougall terminal itself handles several thousand cars yearly for tenants and others. About 500 carloads of fruits and vegetables were brought in and unloaded for the four fruit houses with headquarters in the terminal building. Small creameries in the Northwest make less than carload shipments of butter and eggs to the terminal, where these shipments are consolidated into carloads and forwarded to the large eastern markets. About 250 cars of this type of business were handled through the terminal last year for the small creameries at a net saving to these creameries of about \$17,500 on freight alone.

"Many manufacturers who distribute their products over the entire United States use the terminal as their Northwest distributing point. They make carload shipments up the lakes and distribute their goods in small lots to dealers and jobbers throughout Minnesota and the Dakotas at substantial savings.

"The Western fruit growers, especially the orchard men of the Yakima and Wenatchee Valleys, ship between 300 and 500 carloads of apples to Duluth every year, where they are placed in cold storage and reshipped to points throughout the central portion of the United States.

"Butter, eggs, poultry and packing house products are to be found in the cold storage section of the terminal, where they are being held awaiting more favorable markets.

"The combination of lake and rail service which offers substantial savings in freight costs over shipping all rail, and a terminal warehouse capable of performing every warehousing service for manufacturers, distributors or branch houses, all aimed at reducing the cost between producers and consumers, means millions to the Northwest."

U. S. Act Appropriation

(Washington Correspondence)

An increase of \$10,000 in the appropriation for the administration of the United States Warehouse Act during the next fiscal year was carried in the Agricultural Appropriation bill as finally agreed to by the Senate and the House of Representatives. This increase over the amount originally carried in the bill when it was presented to the House by the House Appropriations Committee was written into the measure in the form of an amendment by the Senate.

The amendment which the Senate put into the bill raised the total amount carried for administration of the Warehouse Act next year from \$231,820 to \$241,820. This change was recommended by the Senate Committee on Appropriations following its consideration of the bill, and was agreed to without opposition by the Senate.

Enlargement of the scope of the Warehouse Act administration to take in additional commodities, and the special activities made necessary by the present cotton depression, were the causes prompting the increase put in the bill by the Senate.

—G. H. M.

Sir Alfred Haslam Dies

Sir Alfred Haslam, "originator of cold storage systems," died in London, England, on Jan. 14, according to an Associated Press dispatch. He was the first to invent, manufacture and fit up a patent refrigerating plant in the British colonies. He also fitted up machinery and cold storage chambers on board vessels and at ports, thus establishing an important business in conveying perishable foods from the colonies to the British Isles. He was created a knight in 1891.

Atlas Co. of Newark, N. J. Opens Connecticut Terminal

THE Atlas Warehouse, Inc., Newark, N. J., recently organized, has acquired a lease on a part of the former plant of the American British Co., Bridgeport, Conn. The company will conduct a general commercial and industrial warehousing business, and will transport between Newark and Bridgeport.

The Atlas company is headed by P. F. Locher, who is also general manager. Mr. Locher has had many years of experience in the warehouse business. He was for years connected with the transportation service of the Pennsylvania Railroad Co. Later he was with the New Jersey Traffic and Transportation Bureau and the Commercial Delivery Co.

Max Kesselhaut, vice-president and treasurer, was formerly with the Newark Seaboard Terminal in an executive capacity. Prior to that he was connected with the Newark Warehouse Co., operated by the Central Railroad of New Jersey.

Operation in Bridgeport, the new company plans to serve manufacturers requiring warehouse space and to render distribution service to all points en route to Newark. To quote Mr. Locher:

"The idea of making Bridgeport our nucleus or terminal has been given consideration after a complete analysis of the needs of the New England States and the advisability of having, at the extreme southern border, a warehouse whereby manufacturers of the New England States and the New York district could readily store for shipping in any direction. We believe that Bridgeport can be made independent of out-of-town warehousing distribution centers."

Charles Vittur Is Dead

Charles Vittur, one of the oldest and best known transfer men in the South and owner of the Vittur Transfer & Storage Co., Atlanta, died on Jan. 20 in a private hospital, following a long illness.

Mr. Vittur, who was 64 years old, was a native of Connecticut. Coming to Atlanta in 1880 he soon saw possibilities in transferring and opened a small transfer and storage business which grew in the forty-seven years he was in charge of it into one of the largest businesses of its kind in the Southeast. He had some of the largest storage vans in the section at his disposal and moved and stored goods not only throughout Atlanta but to and from many neighboring cities and villages.

O. N. Leary an Executive

Orville N. Leary has joined the San Antonio Storage & Warehouse Co., San Antonio, Texas, as part owner with J. Ross Boles. Mr. Leary has had considerable experience in the distributing field, having been connected with the Scobey Fireproof Storage Co., San Antonio, for a number of years.

Architect's Description of New Morgan Warehouse

AS recently announced in *Distribution and Warehousing*, Morgan & Brother, household goods warehousemen in New York City, will build a modern fireproof furniture storage depository on property purchased at 510-528 West Twenty-first Street. The following information is supplied by the architect, George S. Kingsley, New York, who designed the new plant and under whose supervision it will be erected:

"The building will be eight stories in height, with a basement under the whole structure. The basement will be devoted exclusively for rough storage except for the space occupied by boiler and coal room and a lounging room for drivers, located directly under the office.

"The first story will contain attractive well lighted offices arranged for the comfort of employees and efficient operation. A large size silver vault with a massive vault door opens directly from the general office; and a private office, also arranged adjacent to and opening from the general office as well as from the customers space in front of marble counter. The shipping clerks' office also opens from the general office, as well as from the shipping platform. The first story contains also a garage for twelve vans, shipping platform, packing room, excelsior vault, barrel room and repair shop.

"A special feature in connection with the packing room will be in the nature of a blower system of ventilation whereby the air in the packing room will be changed constantly by flooding with fresh air from the outside, a factor that

will be appreciated by packers employed in this room.

"The second story will contain a large salesroom accessible directly from the street; heated piano room, and lighted and heated record rooms for the use of local business houses.

"Each of the third, fourth, fifth, sixth and seventh floors will be divided into fireproof compartments, for the storage of household furniture.

"The eighth or top story will be devoted to open storage and to storage of automobiles.

"Construction will be of the flat slab type of reinforced concrete with concrete enclosing walls. Exterior design is plain in character and finished in white cement with terra cotta trimmings. Windows are metal with wire glass. The building is equipped also with standpipes and hose reels and arranged for A.D.T. system."

Haskelite Installations

Announcement is made by the Haskelite Manufacturing Corporation, Chicago, that its standard furniture fumigation vault, six by eight by ten feet, has been installed in the warehouses of the following companies:

Binz Fireproof Warehouse, Inc., Sarasota, Fla.

Merchants Transfer & Storage Co., Independence, Kan.

The Smedley Co., New Haven, Conn., Wagner Fireproof Storage & Truck Co., Springfield, Ohio.

At the recent industrial exposition held in New Haven the Smedley company made the new vault a feature, while the Wagner company in Springfield is featuring the vault service in its advertising.

Outdoor Advertising Is Analyzed by C. C. Temple

(Concluded from page 30)

growth and utilization of the automobile."

Mr. Temple discussed "outdoor advertising" from the standpoints of four media—circulation, exposure, repetition and availability, and explained that "the nature of the business, or the commodity itself and the market to be reached, in most cases determines the plan." The most effective outdoor advertising campaign, he declared, was one where painted displays and poster drawings were used, the displays being used continuously and the posters either concurrently or during particular months or seasons. He added:

"We think in pictures. The memory, therefore, being but a series of filmed pictures or impressions, becomes the great source or fountainhead of what all advertisers seek—a knowledge of their product. Probably the greatest contributing factor to the development of these memory impressions is the thousands of colorful pictorial posters that greet us on every hand. The mind is so easily impressed pictorially and so naturally sub-divides its impressions into good, bad or indifferent, that the responsibility of designing a poster message is far greater than is generally understood."

Bush Terminal 1926 Earnings

Net earnings of the Bush Terminal Co., New York, are placed at slightly less than \$2,000,000, equal to about \$4.61 a share on 137,766 shares of common stock outstanding, according to a preliminary report issued on Feb. 10. This is an increase of about \$110,000 over 1925, when the per share earnings were \$4.51 on 137,770 shares of common outstanding.

Two new buildings and a power plant were added last year. The power plant, now in course of completion at the foot of 41st Street in the Bay Ridge section of Brooklyn, will supply steam and heating facilities to the buildings in the manufacturing division—eighteen structures.

Boston Wool Storage

Boston warehousemen are looking forward to a substantial increase in their business in the next few months because of the big shipments of wool being directed to that port.

At least twenty steamships filled with wool are either on the way to Boston or are taking on cargoes in various parts of the world. Approximately 56,000 bales, having an estimated value of fourteen to fifteen million dollars—the largest and most valuable quantity of wool ever headed for Boston at one time—comprises this cargo. Most of the wool is to be unloaded at the Tidewater Terminals, Army Base, South Boston.



How the eight-story and basement household goods depository of Morgan & Brother, New York, will look when completed

Element That Is Missing in Elastic Warehousing

(Concluded from page 21)

everything and did everything necessary to make its roadbed through a mountainous country as near perfection as possible. Then it charged off all these improvements to investment and sat back to watch events. What do you suppose happened? Why, the improvements so decreased depreciation as well as operating costs that operating profits were greater than ever.

Just ignore the special motive in this case and substitute a manufacturer of some staple product for the railroad.

Suppose this shipper were so to look ahead that he would not be afraid to adapt his whole scheme of distribution so as to get "everything but the squeal" out of planned warehousing. He might upset things a little at first; but when he had his distribution routine perfected so that he could take advantage of all the potential economies in the utilization of hundreds of public warehouse units, dispersed nationally, wouldn't he duplicate the experience of that railroad? You bet he would, and he would have a shipping-edge that would be the equivalent of another profit on everything he placed before the buyer.

The whole matter of wiser physical distribution will eventually go back to the selling machine and even to company policy. We should not be discouraged, for production is treading on the heels of consumption so fast that radical action will soon be necessary—even for some of those firms which have been so self-complacent because of having their own distributing units.

This is a sort of progress report on the part of the N. D. A. to you men who wrestle with the details of distribution. The N. D. A. is headed for success because it now represents a fundamental idea as well as the principle of cooperation. We are going to put the interest of our shipper-members first, as we have in the past, but we are still one with you in advocating the public warehouses as the chief factor in economic distribution.

NEWS

Cleveland Truck Terminal

Plans have been completed for truck terminals to be erected by the Croton Transportation Co., at East Fortieth Street, Cleveland, at an estimated cost of \$650,000. The terminal will be adjacent to the \$20,000,000 food terminal for which plans are being prepared.

The first unit of the building will be 200 by 200 feet. It is proposed that the new truck terminals will be the loading point for truck service extending out from the city for a distance of 100 or more miles, as well as serving the city.

Three California Firms Operate Terminal Jointly

ONE of the most important warehousing corporations yet formed on the Pacific Coast has inaugurated operations following completion of the first unit of what eventually will be a large warehouse terminal in Oakland, Cal. This is the Oakland Warehouse Terminals Co., representing a combination of three of the largest warehousing and distribution concerns around San Francisco Bay—the San Francisco Warehouse Co. and the Haslett Warehouse Co., both of San Francisco, and the Drayage Service Corporation, Oakland.

W. P. Scott, president of the Drayage Service Corporation, heads the new organization; Henry Hiller, vice-president of the San Francisco Warehouse Co., is vice-president; J. W. Howell, secretary and treasurer of the Haslett Warehouse Co., fills the same office with the new corporation; and William A. Dallam, well known as a warehouse executive on the coast, is manager.

Through allied interests, which own a large tract of land near the western waterfront of Oakland, the Oakland Warehouse Terminals Co. has obtained a long-term lease on property which eventually, as rapidly as circumstances require, will be developed into additional modern warehouse units combined in a most extensive distribution plant.

The Drayage Service Corporation, one of the largest distributing concerns in California, has removed its headquarters from Fourth and Clay Streets to the new plant at Twentieth and Campbell Streets.

Coordinating Advertising

Dollar and Sales Dollar

(Concluded from page 9)

advertising seldom omits to remind dealers and industrial users that 97 warehouse stocks stand ready to supply requirements no matter how urgent. The list is too lengthy to print in advertisements, but it is supplied to all customers and kept up to date by revision. The list, in addition to other usual information, gives names of railroad sidings of these warehouses.

This conforms to a quite frequent habit of other advertisers who list telephone numbers, occasionally night and Sunday numbers as well, for use of dealers in emergency.

Everywhere the warehouse speeds deliveries. When, therefore, the warehouse idea is injected into the advertising, every possible device is inserted to let the dealer understand that he should turn to the warehouse for quick delivery, for emergency service, for everything and anything that will "get the goods in a hurry"—that being the proper function of a warehouse of merchandise.

This provides the warehouse company with local and interurban truck terminal facilities and a consequent local delivery and interurban express service that otherwise would be impracticable.

The plant of the Oakland Warehouse Terminals Co. is served by both Southern Pacific and Santa Fe spur tracks; its location is advantageous with respect to rail and water terminals and the business sections of Oakland, Berkeley and Alameda—the cities on the mainland side of San Francisco Bay—while its interurban express terminal assures at least two daily trans-bay deliveries to or from San Francisco. Oakland is the geographical center of the Pacific Coast and the terminus of the transcontinental railways as well as a port of call for coastwise and intercoastal steamship lines.

Combining the advantages thus offered by Oakland as a distributing center with its own exceptional facilities, the new company is specializing in a detailed warehousing and distribution service for eastern and middle western accounts.



In left oval, W. P. Scott, president of new Oakland Terminals Warehouse Co. In right oval, William A. Dallam, manager. The building is the recently-completed plant which the company will operate, at Twentieth and Campbell Streets, Oakland, Cal.

Eyres Company Opens Its New Warehouse in Seattle

STANDING as a monument to concentration of resources and labor is the new warehouse of the Eyres Storage & Distributing Co., Seattle. This building, situated at First Avenue South and Walker Street, is located only a short distance from some of Seattle's largest docks and terminals and is in the heart of the wholesale and manufacturing district.

The structure is 120 ft. x 148 ft., with seven stories and basement, constructed of fireproof concrete and steel, and it embodies the latest ideas in warehousing facilities. The outstanding features are the three great freight elevators; the commodious spiral chutes, two in number; and the ramp leading from the street level to the basement. The ramp can be either lowered by electric power, or without power should the power be shut off at any time. This latter feature is believed to be the only one used by any similar institution in the country. The building, completed about Jan. 1, cost \$325,000.

How the Space Is Divided

Household goods are stored on the seventh floor and in one section has been built in a number of fireproof boxes constructed according to underwriters' plans. There is also ample room on this floor to accommodate the power saws, packing room and crating. The piano and rug rooms are located here and they too are protected with the latest equipment and safeguards against fire.

The sixth floor is used for general merchandise, and 5000 ft. have been set aside as bonded Government space.

General merchandise covers the bulk of the space on the third, fourth and fifth floors, and the third floor is used also to store advertising material in well arranged lockers.

The second floor, containing some 14,000 sq. ft., has been leased for a term of years to Libby, McNeil & Libby.

The main offices are on the first floor facing First Avenue and are at all times spic and span, modernly equipped in every respect and with ample space to take care of the future growth of business. Offices for the use of brokers, distributors and manufacturers' agents using the warehouse are on the floor above.

Railroad tracks line the west side of the building and provide facilities for six cars, and it is also possible at the platforms to load and unload sixteen vehicles at one time.

The operation and maintenance department for the fleet of fifty-five motor trucks is housed in a modern garage which adjoins the new warehouse. An accurate account is kept of the tire, gas and oil costs used by the fleet. The company still retains nine team trucks and heavy draft animals, as these are found more economical around the docks, according to Walter Eyres, the company's president, and are also sometimes used on hauls up to the two-mile limit. For this concern it is found that the depre-

cation in teams is less. But the ratio of 55 to 9 shows the relative importance placed on these two means of hauling, and if the motors were eliminated, there would be a sadly congested condition.

(Note: The new plant of the Eyres Storage & Distributing Co., Seattle, is illustrated on page 38.)

Philip Godley Aged 80

At a joint meeting of the officers and directors of the Philadelphia Bourse and the Philadelphia Board of Trade, congratulations were extended to Philip Godley, vice-president and a director of both organizations, and widely known in the public warehouse industry, who observed his eightieth birthday anniversary on Feb. 8, four days before Thomas A. Edison entered the octogenarian class.

Mr. Godley is president of the Pennsylvania State Warehousemen's Association and proprietor of Godley's Storage Warehouses, Philadelphia.

Wharfage Charges Hearing March 28

ANNOUNCEMENT is made in Washington that the Interstate Commerce Commission has set March 28 as the date for beginning the further hearing in its inquiry (No. 12681) in re-charges for wharfage, handling, storage and other accessory services at Atlantic and Gulf ports. Upon special request from interested parties the hearing was deferred from March 7, the date recently assigned for it.

The hearing on March 28 will start at 10 a. m. before Attorney Examiner R. N. Trezise.

This is the inquiry in which the American Warehousemen's Association has retained counsel to represent it in presentation of information alleging unfair competition by railroads at ports.

Ohio Excess Tax Bill

The first bill introduced in the Ohio Legislature at its present session is one fathered by Senator Edwards of Newark, who would impose an excess tax of 4 per cent on all the receipts of companies operating motor vehicles on the State's public highways.

The Ohio Association of Commercial Haulers and allied organizations would oppose the measure, it was announced in Columbus.

The bill is one of hundreds which are expected to be introduced, seeking to do away with the State deficit and raise more revenue through taxation. Indications were in Columbus that the Legislature apparently was looking toward the truck and bus industry to help supply the deficiency.

Banking Representation Is Increased in N. Y. Survey

In order that the joint committee which, under the auspices of the Merchant's Association of New York, is conducting a survey of the port's merchandise and cold storage warehouse industry, might have a wider representation of the bankers interested, A. E. Van Doren, vice-president of the American Exchange Irving Trust Co., and Wilbert Ward, assistant vice-president of the National City Bank, have been added to the committee. The latter comprises representatives of bankers, shippers and the public warehouse industry.

Late in February the committee held its sixth meeting and discussed "Should public warehouses be regulated by the Government?"

At previous sessions such problems were considered as negotiable warehouse receipts, private regulation of the financial responsibility of warehouses, the development of warehouses as complete distributing agencies, the need for intelligent analysis of unequal storage rates, and governmental influences on warehousing.

A final report of the conference committee will be held in the near future, and the resolutions to be drafted will be made public, it is announced, by W. E. Quail, assistant manager of the industrial bureau of the Merchants' Association.

Philadelphia Fire

Fire discovered at 12.30 a. m. on Feb. 20 caused loss to the Gandy Storage & Warehouse Co., 678-682 North Broad Street, Philadelphia, estimated by James M. Dallas, owner of the building, at \$500,000, including damage to structure and contents. The flames threatened that entire block in "Automobile Row," despite the vigorous efforts of the firemen to confine them. Four alarms were sounded and all the fire-fighting apparatus available in the central city and northern sections was summoned. During the height of activity the roof of the warehouse fell in and the flames, shooting skyward, were driven over the top of garages and other automotive establishments, endangering them.

The north wall of the storage house crashed just after a family had moved out of their dwelling in its shadow, taking their portable belongings with them. By 2 a. m. all six floors of the building were afire. Firemen fought the flames from water towers and from the roofs of nearby buildings, in the teeth of an icy gale. By 4 o'clock the flames were well under control, although it was necessary to have men at the scene most of the day, spraying water on the smouldering embers. Several firemen, injured by falling glass, were sent to the hospital. During the fire, guests in the Lorraine Hotel, across the street, dressed in case of emergency but the high wind carried the flames in another direction.

Jury Convicts for Failure to Keep Cold Storage Records

THE S. Miller Cold Storage Co., Marshfield, Wis., was found guilty recently, by a County Court jury, on twenty-one counts of violating State cold storage laws.

The specific charge made by the Dairy and Food Commission was that the Miller company failed to keep accurate records of eggs in storage and that such records were not available to the Commission's inspectors, contrary to a section of the Wisconsin statutes of 1925.

According to a report by the Commission during November, 1922, a merchant in Marshfield sold some eggs to a merchant in Neenah who complained that they were not fresh. The inspector who investigated stated that the eggs had been treated by immersion in mineral oil and were not fresh. Upon investigation it was learned that the eggs had been bought from the Miller company, which, according to the Commission's report, had during the spring of 1923 been treating eggs by immersing them in hot mineral oil and keeping them in cold storage.

Efforts were then made by the Commission to learn how many of these "treated" eggs had been sold and to whom. Records showed that there were in March, 1923, 2,000 cases in cold storage, but according to the Commission it was an error and there should have been 800 cases only.

Prosecutions were begun in Wool County for alleged failure to keep proper

records and in Dane County for alleged filing false reports with the Commission.

The defendant company pleaded *nolo contendere*, as to ten counts in the Superior Court of Dane County, and was fined \$50 on each count, and entered the same plea in Circuit Court in Marshfield and was fined \$50 on each count.

Judge Connor imposed a fine of \$3,150 on the company, plus the costs of trying the case, placing the amount of \$150 on each of the twenty-one counts in the case.

It is understood that the Miller company through its attorneys has already started action to appeal its case to the Supreme Court.

Kansas City C. I. D. Folder

A new folder has been issued giving information regarding Kansas City's Central Industrial District. C. C. Daniel, president of the Central Storage Co., Kansas City, is president of the Central Industrial District Association. Copies of the folder may be obtained by addressing the association at 1427 West Ninth Street, Kansas City.

Nashville Blaze

Fire on Feb. 8 destroyed the elevator of the Nashville Warehouse & Elevator Corp., located on the N. C. & St. L. Railway west of Fourth Avenue South, with an estimated loss of \$200,000, divided \$100,000 to the building and \$100,000 in grain consumed by the flames. The loss was covered by insurance, according to S. M. Allen, Jr., the company's president.

Where Credit Is Due

In fairness to *The Monthly Journal*, published by the Truck Owners Association of Seattle (Wash.), Inc., it should be explained that the two financial articles by W. H. Berry, assistant cashier of the First National Bank, Seattle, which appeared in recent issues of *Distribution and Warehousing*, were printed originally in the Seattle association's magazine. They were written at the suggestion of William H. Baxter, editor of *The Monthly Journal*.

At the time the articles were received by *Distribution and Warehousing* it was understood in this office that the texts had been prepared especially for this magazine. *Distribution and Warehousing* was not informed that they had already been published in *The Monthly Journal*.

The articles are "How Warehouse Receipts Operate Through Banks in the Northwest," in the December, 1926, issue, and "Here Are Some of the Fundamentals of Negotiable Instruments," in the February, 1927, number.

In view of the developments, publication of this series of articles has been discontinued.

White Plains Fire

The H. C. Hicks Storage Warehouse, White Plains, N. Y., was wrecked by fire of unknown origin on Feb. 6. The damage was estimated at about \$100,000. The flames destroyed household goods, three moving vans and five private automobiles.

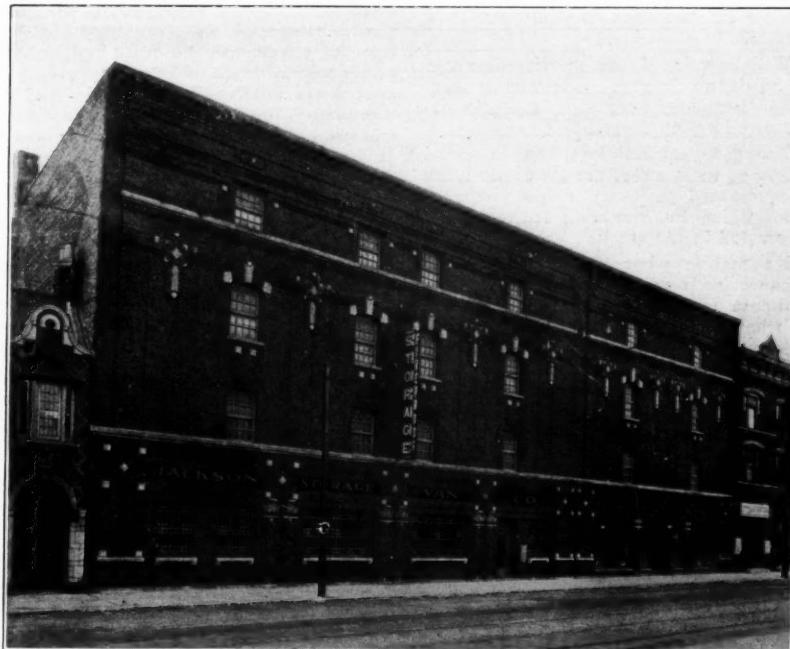
Jackson Company of Chicago Acquires Its Second Oak Park Warehouse

THE Jackson Storage & Van Co., Chicago, has acquired through purchase the plant formerly known as the Deschler Warehouse, at 1135-1143 Lake Street, more recently owned and occupied by the Chicago & Oak Park Storage Warehouse Co., Inc.

The property has a frontage of 125 feet on Lake Street and runs back 225 feet to Williams Street. The building itself fronts on Lake Street 125 feet and is 75 feet deep. It stands four stories high. On the William Street side there is a non-fireproof warehouse, 50 by 50 feet, three stories high.

This warehouse is located on the main east and west thoroughfare on the western border of Oak Park, Ill., making it accessible to the three suburbs of Oak Park, River Forest and Forest Park. It was designed by George S. Kingsley, New York architect, and is built of dark red brick the austerity of which is relieved by white stonework. The heavily-barred windows and doors lend beauty and give an appearance of massive security that blends with the severe lines of the building.

This is the Jackson's company's eighth warehouse. Four are located on Chicago's West Side, one in La Grange, one in Maywood, and the new acquisition makes two in Oak Park.



Finance Service Benefits Manufacturers and Jobbers

(Concluded from page 45)

If a firm of good character and responsibility applies for a loan at their bank, the amount granted is usually based on about five times the average deposit. This deposit must remain practically intact, which is quite a sum to tie up when it should be working for the firm without interruption. A manufacturer's stock of merchandise, no matter how valuable, cannot be put in the vaults of the bank; but by placing it in a reputable public warehouse the manufacturer can either obtain a negotiable warehouse receipt to use as collateral with his banker, or negotiate direct with a warehouse which handles loans and on terms and conditions much more satisfactory.

The cost of carrying merchandise in a public warehouse, including the cost of transportation and handling, is nominal when one considers the convenience and the gain realized through the selling or buying when the prices are most attractive.

A financing warehouse in most cases is located in a selected location where re-shipping by rail in car lot or less than car lot can be done promptly and economically. In most cases such stock moves direct to the trade, eliminating any extra handling or a transfer of the stock to the manufacturer's own premises.

The financing warehouse becomes custodian of the stock. It is in a position to watch the value and condition, the movement of the product, the policies of manufacturer's organization, and is for these reasons in a better position to control a loan than a banker, and by which the shipper can enjoy the use of the money at a lesser cost and in a more flexible manner than in dealing with a banker.

Withdrawals of the merchandise can be made at frequent intervals in any quantity and on very short notice without any lengthy formalities.

The goods at all times are in sound buildings with lowest fire insurance rates and guarded in every respect against damage, as the guardian is financially interested in the stock.

No matter what the nature of the product is, it would be wise to get an estimate and know definitely how and at what cost one could finance the products or raw materials in an emergency. The shipper may be doing a nice conservative business with a fair income, but with proper financing he could double or triple the volume of his business or secure himself against his strongest competitor.

It is also interesting to know that some of the country's largest producers and jobbers owe their success to alertness in seeing the possibilities which a financing warehouse affords and making the best use of them.

The nature of the product, its quality, quantity, life of the loan, all enter into

NEWS

Distribution and Warehousing
March, 1927

Only Son of C. A. Aspinwall Dies Suddenly in France

SCOVILLE H. ASPINWALL, only son of Clarence A. Aspinwall, president of the Security Storage Co., Washington, D. C., and treasurer of the American Warehousemen's Association, died suddenly of meningitis in Paris, France, in January. A junior at Yale, he was 20 years old and had been abroad since last summer, engaged in studies, and was to have returned in time to reenter Yale this spring.

Upon receiving news of the illness, Mr. and Mrs. Aspinwall sailed for France, but the son passed away while his parents were at sea.

The death prevented Mr. Aspinwall from attending the Kansas City convention of the American Warehousemen's Association and the Biloxi, Miss., meeting of the National Furniture Warehousemen's Association, both in January.

Each assembly adopted resolutions expressing the members' sympathy and these have been sent to the Aspinwall family.

Scoville H. Aspinwall attended Friends' School in Washington and Hill's Preparatory School in Pottstown, Pa., before entering Yale.

The memorial adopted at the American's convention read in part:

"Be it resolved, that we hereby tender to our friend our deepest sympathy and express the hope that he may be comforted in the thought that the fine young manhood of his noble son has been drafted for service in that other country beyond our sight."

Wagner "Tells the Public"

When the Wagner Fireproof Storage & Truck Co., Springfield, Ohio, opened for business its new six-story addition for household goods, rugs, etc., eight pages of a daily newspaper, the *Daily News*, were called the "Wagner Section" and the new structure was described in detail and illustrated.

The editorial texts in the "Wagner Section" comprises articles on various branches of service accorded by warehousemen, some of the texts having been written by S. C. Blackburn, Kansas City, president of the National Furniture Warehousemen's Association; Ray Wagner of the Wagner firm; D. S. Adams, Kansas City, a director of the American Warehousemen's Association, and H. A. Haring, contributing editor of *Distribution and Warehousing*.

Sculpture Prize to Borst

George Borst, chairman of the board of directors of the Twentieth Century Storage Warehouse Co., Philadelphia, was recently awarded the Emma Burnham Stimson prize of \$100, offered each year for the best piece of sculpture submitted by a student in the sculpture classes of the Pennsylvania Academy of Fine Arts.

Seneca Company Taken Over

Announcement is made that the D. A. Darling Trucking Co., Utica, N. Y., has taken over and is now owner of the Seneca Warehouse Co., Inc., which was established in that city in 1912. Under the name Seneca Warehouse Co., Inc., the new owners will continue to operate the trucking and moving business as previously.

The Seneca company operated a warehouse business, with a plant containing 100,000 square feet of floor space, at 106 Whitesboro Street. The address of the Darling firm is 306 Broad Street.



DUNHAM & REID, Inc.

NEW YORK CITY

HAVE CLOSED CONTRACTS FOR THE ERECTION OF A MODERN FIREPROOF FURNITURE STORAGE WAREHOUSE AT 216-218 E. FORTY-SEVENTH ST., NEW YORK AND ARE USING

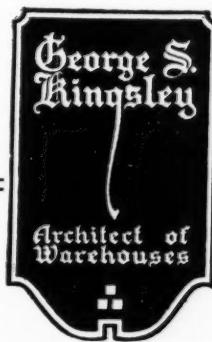
"KINGSLEY SERVICE"

which insures them an up-to-the-minute warehouse, with a maximum of storage space at a minimum cost, and with a very low insurance rate.

"Kingsley Service" is always dependable and is available for warehousemen contemplating the erection of a modern storage warehouse.

1452 Broadway

New York City



WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Rumney Heads Detroit Co.; Hogan Chairman of Board

MASON P. RUMNEY, Detroit business man and a University of Michigan alumnus, has been elected president of the Detroit Railway & Harbor Terminals Co., Detroit.

William J. Hogan, of Indianapolis, hitherto president, who is president of the National Terminals Corporation, which operates the Detroit project in conjunction with a chain of terminal warehouses in Chicago, Cleveland, Indianapolis and Cincinnati, was made chairman of the board.

Mr. Rumney is recognized as a business executive of great organizing ability. He is vice-president and a director of the Detroit Steel Products Co., with which he has been connected since 1908, and while he will devote his entire time to the Detroit terminal project, he will continue his connection with the steel products company, with which he has been successively sales superintendent, works manager and vice-president. He is a director of the Morris Plan Bank of Detroit, a member of the American Society of Testing Materials, a member of the American Society of Steel Treaters, and a member of the Society of Automotive Engineers, in which he served two years on the council. During the World War he was in the office of Chief of Ordnance with rank of major, in charge of national production and overseas shipment of artillery vehicles. Three years ago, taking hold of the National Association of Michigan Alumni Clubs when there were only 25 such units in existence, he built the group to a membership of 154 active organizations.

In a statement regarding his new connection, Mr. Rumney said:

"I believe Detroit is just on the threshold of a huge expansion in the manufacture of machine products. No city in the country has as many mechanics trained in mass production, as much capital and equipment available for the purpose, and is as favorably situated with regard to transportation as Detroit. With the low freight rates, which are now available through the new public dock and warehousing facilities, and the recent inauguration of joint rail-water rates, Detroit is in a strategic position to attract new industries."

"Inquiries have come from manufacturers and shippers all over the world. It indicates conclusively that Detroit now has manufacturing advantages, in connection with its lead in the machine products industry, which are unequalled. With the eventual completion of the Great Lakes Waterway, Detroit's position will be still further enhanced."

"The cost of handling many items in modern commerce is now greater than the cost of producing those items. Detroit is now equipped to reduce handling costs through a combination of water and rail or water and motor truck facilities. The Detroit Railway & Harbor Terminals Co. will handle over its recently extended docks alone, not count-

ing warehouse tonnage, about 450,000 tons in 1927 on basis of present contracts, or more than three times the 1926 tonnage. I have gone into this business because I believe it is going to be a tremendous factor in the future growth of the city."

Mr. Rumney will take up active duties at the Detroit terminal in the latter part of March.

Hartford Firm Announces Contract

The Hartford Despatch & Warehouse Co., Hartford, Conn., has closed a contract with a representative of the General Motors Co. whereby more than 800 carloads of one particular model of the General Motors Co.'s product will be handled by the Hartford firm. The latter, according to E. G. Mooney, president, expects to handle approximately 2000 carloads of automobiles during 1927, and in this connection the new warehouse now under construction will be utilized.

This building, directly opposite the present automobile unloading platform, will be connected with a ramp leading from the platform so that cars can be run direct into it. The new warehouse will stand 100 by 150 feet, of steel construction and with a concrete foundation, and designed so that additional floors may be erected as needed.

The Hartford company provides special services intended to attract the attention of local car dealers—issuing of negotiable receipts, handling and storing the cars, supplying cars with gas and oil, charging batteries, and the placing of the cars in ready physical condition for delivery to owners as fast as the dealers makes sales.

\$1,000,000 N. Y. C. Warehouse

Day & Meyer, Murray & Young, Inc., New York City, has awarded a contract for the construction of a 16-story household goods depository. The new building will be located on Second Avenue between Sixty-first and Sixty-second Streets, and will connect the company's present structures at 305-307 East Sixty-first Street.

The cost will be approximately \$1,000,000 and will be devoted exclusively to the storage of household goods and art objects.

The plot is 75 by 100 feet, with a side entrance 25 by 50 feet.

It is planned to use sealed steel vault containers throughout the new warehouse. The container is loaded with the customer's property at the customer's home, conveyed to the warehouse and there left intact until the owner wants the goods delivered. The container is then removed from the floor and unpacked at the customer's home.

"This method of storage," according to T. F. Murray, the company's president, "will be considerably higher in cost than the method now used, but it has a service quality which can be used in selling the method."

Maryland F.W.A. Elects

L. A. Naylor President

THE sixteenth annual meeting of the Maryland Furniture Warehousemen's Association was held at the Hotel Caswell in Baltimore on Feb. 9. Lawrence A. Naylor, president, after calling the meeting to order, nominated Thomas H. Vickery as chairman, and Mr. Vickery was elected. Officers for 1927, all of Baltimore, were chosen as follows:

President, Lawrence A. Naylor, president Monumental Storage & Carpet Cleaning Co.

Vice-president, Thomas H. Vickery, president Baltimore Storage Co.

Secretary and treasurer, C. J. Hamilton, vice-president Security Storage & Trust Co.

Martin J. Reilly, president Fidelity Storage Co., and William A. Magruder, president Graham's Storage Warehouse Co., were elected to serve with the officers as directors.

Secretary Hamilton reviewed the year's activities and urged the members to give the association close attention during the months ahead. He recommended the appointing of three committees—one on hauling, another on storage and a third on packing and labor. The duties of these committees would be to study the conditions of the particular branches of the business and make recommendations from time to time regarding methods of improvement. The following resolution, offered by Mr. Hamilton, was adopted:

"Resolved, That it is the sense of the membership that the resolution passed at the Biloxi meeting of the National Furniture Warehousemen's Association, requiring that an applicant for membership in the National association must be a member of a local, State or regional association, where one exists, for a period of one year, be approved and acceptable to this association, and that the secretary be instructed to so advise the National association."

A. Bernard Heine, who is secretary of the Van Owners' Association of Baltimore, read a paper with reference to the hauling situation. He advised against the Maryland association's members dropping out of the long-distance moving field, but to undertake to obtain better remuneration in this branch of business. He contended that if the Maryland members were to cooperate with the new eastern branch of the N. F. W. A., they should have at their command "a rate which would enable us to meet our competition at its own base or possibly lower," even though it might thus be "necessary to have different rates for different cities." He believed also that:

"The identity of the individual concern operating the trucks engaged in the accomplishment of the work secure through the National association should be subservient to the National name in order to produce quicker results, and popularize the National name so that, instead of our securing a benefit direct,

(Concluded on page 64)



18 years at it!

**PROVED
BY
PROOFS!**

Building better motor trucks for the

Express Transfer and Storage

industry. From one ton capacity to the BIG STEVE, five-tonner, Indiana is in position to serve any and every transportation requirement.

Write us for interesting literature and informative data.

INDIANA TRUCK CORPORATION
MARION - - - - - **INDIANA**
Factory Branches, Distributors and Dealers throughout the country!

INDIANA TRUCKS

1 to 5
Ton
Capacities

Four and Six
Cylinder
Models

Old Family Album Unfolds Career of Walter Eyres

(Concluded from page 38)

That was in 1888. In 1889 he was seized with an ambition to buy out the concern in which he was an employee, and, toward the end, he bought a team of horses on the installment plan, and in 1890 he started in business for himself.

Fortune favored him for a time because, as foreman of the Seattle Transfer Co., he had made many friends among the wholesale merchants of the city—so many that the company's customers knew Eyres better than they knew the owners of the concern because of his former personal contact with them.

In 1901 the Eyres company, still in its infancy, rented a one-story building in which to start a storage business. In 1904 articles of incorporation were drawn up, and the Prudential Building Co. erected a six-story brick edifice for the Eyres firm's occupation. It was decided at that time to keep the storage business separate from the transfer business, and they still are separate concerns today, one being the Eyres Transfer & Warehouse Co. and the other the Eyres Storage & Distribution Co.

The six-story building was occupied by the Eyres people from 1904 to 1913—the year in which Mr. Eyres finally realized his dream of buying the controlling interest in the old Seattle Transfer Co., for whom he had once worked. This was consolidated with the Eyres Transfer & Warehouse Co. A six-story building was too small for the amalgamated concern, so the present site on the water front was leased in 1913—a building comprising 90,000 square feet and situated on the dock where the local Puget Sound boats anchor.

In the meantime Mr. Eyres' first act as head of the old Seattle Transfer Co. was to give a banquet for his former associates, who had always remained his friends in spite of the fact that his acquisition of the business had not been accomplished without a merry row. The secretary, treasurer and traffic manager of the old Seattle Transfer Co. were retained by Mr. Eyres, and today they are stockholders in the new concern.

"Bucking the Game"

The year 1913 was, then, the time in which Mr. Eyres realized the greatest ambition of his life. But it also was the time during which he had the hardest struggles of his business career. From the very beginning of his independent venture into the industry he had had to fight his former employers, who were determined either to buy him out and pay him a premium on his investment, or else freeze him out. Failing in the former, they almost succeeded in the latter, due to the fact that the old Seattle Transfer Co. owned the freight terminals, and so were able to refuse the Eyres vans permission to go on their property to receive consignments of freight.

Mr. Eyres bucked this by hiring men to haul his freight while he looked on in idleness—an arrangement both unsatisfactory and expensive. Finally a committee of influential shippers interceded with the Northern Pacific to obtain for Mr. Eyres the same privileges enjoyed by other shippers. The railroad was handicapped by the fact that it didn't own its terminals and also because it was under contract to the old Seattle Transfer Co. In the end, however, the shippers' influence prevailed and their demands carried.

Mr. Eyres had won his fight, but it was still some time before he came to clear sailing, as the Seattle teamsters' strike followed close on the heels of his purchase of the old Seattle Transfer

Income Tax Problems

YOUR Federal income tax is due on the 15th of March. Are you prepared?

Without cost to you, J. K. Lasser, C. P. A., nationally recognized as a specialist in accounting, budgets and tax procedure, will answer without delay any questions you may care to ask on this important subject.

Send your queries at once to Mr. Lasser, care of *Distribution and Warehousing*.

Co., and all but crippled him financially. The strike lasted eleven months and was a severe storm to weather even for a company that had not recently taken on the added financial obligation of buying out a rival concern.

Increasing business now has made the parent warehouse of the Eyres company inadequate, so a new building—see description on page 58—has been erected by the company on First Avenue South at the Walker Street corner, at a cost of \$425,000. This is a seven-story structure with basement, modern and fireproof, with a capacity of 160,000 square feet. The company operates fifty-four motor trucks and twelve horse-drawn vans. Horses, being more economical, are used along the waterfront so long as the storekeepers do not object to their slowness.

Horses also have a sentimental association for Mr. Eyres, and the office from which he still takes active direction of his growing business is lined with prints of English racing and fox-hunting scenes. Mr. and Mrs. Eyres also spend some three months of every year at the races in California, besides taking frequent trips to Vancouver, where lovers of Canadian horseflesh indulge in the sport of kings and the king of sports. Last year they even motored as far as New Orleans while the racing season was in progress there—a long journey, in fact, but still a longer journey in fancy from the apprentice boy's cabin in 1879.

—E. F.

Maryland F.W.A. Elects

L. A. Naylor President

(Concluded from page 62)

it will be secured indirectly, and this I believe we will promote the interests of the industry which will be ultimately reflected to our benefit individually. I will suggest the use of a tarpaulin to cover the trucks engaged in a long-distance undertaking, displaying the National name prominently and our own names in small type.

"I believe also that the National program will fail of ultimate success or a success which will really be productive enough to help us locally unless an office is maintained in each city separate and distinct from any connection with any warehouse in that city.

"I do not think any obstacles should be thrown in the path of the National association. Any undertaking should be under the auspices of the National. If, however, such a procedure is impossible, I believe that any steps which we might take to meet local conditions should be with the full approval of the National policy."

Following the meeting, the members held a dinner, the guests including Henry Reimers, executive secretary of the N. F. W. A., and Fred L. Harner, Philadelphia, president of the Pennsylvania Furniture Warehousemen's Association.

Milbauer a Manufacturers' Agent

Charles Milbauer of Newark, N. J., until recently president and general manager of Kenna Terminal, Inc., Newark, and for the past twenty years identified in various ways with the public warehouse industry, is now a manufacturers' agent, with address at 20 Baldwin Avenue, Newark.

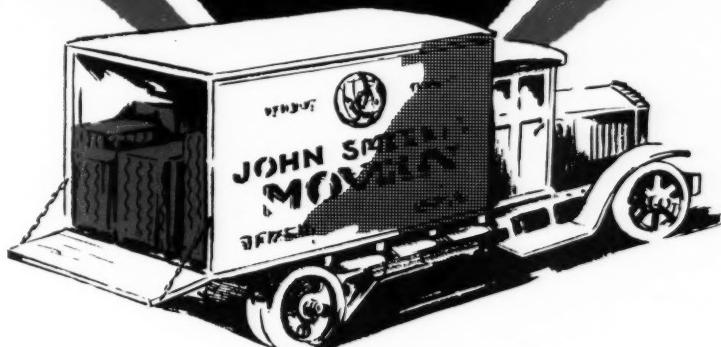
In his new work Mr. Milbauer represents—in New Jersey, New York and Pennsylvania—various manufacturers of goods used in warehouses. His initial effort in this line is the sale of Voltile moth crystals, which, chemically prepared with an oil of cedar odor, is intended to exterminate moths and moth larvae and prevent breeding, without the liquid staining fabric and upholstery. The preparation is sold also in cake form for use in locker rooms, chests, closets, etc. Mr. Milbauer states that a number of furniture warehousemen have been using the crystals successfully during the past three years.

Wharfage Charge Inquiry

The legislative committee of the Massachusetts State Senate held a hearing at the State House in Boston on Feb. 17 to consider a report of alleged discriminatory wharfage charges—a problem that has long been agitating Boston's public warehouse industry.

On behalf of the Massachusetts Warehousemen's Association, Harry H. Wiggin, president of Wiggin Terminals, Inc., presented a compromise arrangement designed to eliminate the purported discrimination.

the whole question of
profits narrows
right down
to this
load



Pioneers Blazed The Trail

Pioneers, the original furniture pads, are made of strong, soft cotton, corded into one batt and covered with tough, pliable Khaki drill, permanently held in place by the special Pioneer Zig-zag stitch that prevents shifting of filling.

Pioneers are scratch-proof, water-proof and practically wear-proof. A small investment in them will pay you well.

VOLUME isn't everything in business. You might say it is only a means to an end. The end is profit. Every day's profit contributes to the financial success of your business. Every load of furniture you haul contributes to each day's profit.

So it narrows right down to that load you are hauling now. Will you get your full profit from it? Or will you lose part of it along the road because of a scratch — a break — a scar?

Pioneer Furniture pads will put you on the safe side; keep you out of disputes and adjustments with your customers, and keep your profit on the right side of the ledger. Movers in every state in the Union will verify that; and it is a significant fact that the most successful ones are the most consistent users of Pioneer pads. Write or wire. LOUISVILLE BEDDING COMPANY, Incorporated, MANUFACTURERS, Louisville, Kentucky.

Pioneer Furniture Pads

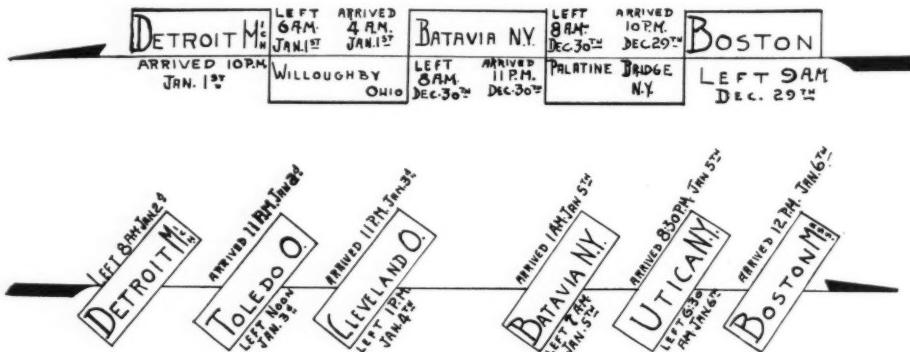
•Prevent Damage•Save Loss•



ROADMASTER PERFORMANCE!

*Averaged 20-25 Miles Per Hour Running Time on
2018-Mile Trip—Boston to Detroit and Return*

"Delivered six rooms of furniture and a grand piano from 102 Naples Road, Boston, to 85 Dexter Boulevard, Detroit. On the return trip took on another load of six rooms of furniture at Cleveland and delivered to Boston. Did not go into low speed once."



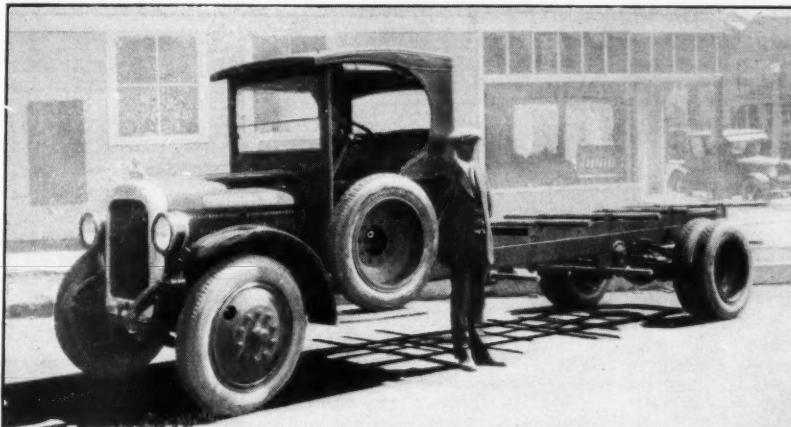
"Between Cleveland and Toledo we bucked snow between 1½ and 2 ft. deep through a blinding storm. Went up over Mt. Lebanon with 3 or 4 feet of snow on the ground in second speed loaded with six rooms of furniture. Used chains on Camillus Hill, N. Y., and Jacobs Ladder, Mass., on return trip. Speedometer reading for the trip was 2018 miles."

(Signed) RAFFERTY BROS.

SELDEN TRUCK CORPORATION, ROCHESTER, N. Y.

Factory Branches: Long Island City, N. Y.; Boston, Mass.; Tulsa, Okla.

How Budd-Michelin Dual Wheels stopped a big leak in Mattingly's profits



One of a fleet of Federal trucks equipped with Budd Duals, now used by the Mattingly Truck Company, San Diego, California

FOUR years ago the Mattingly Truck Company of San Diego, California, were trying to make a decent profit hauling lumber. But with competitive rates and high operating costs, it just wasn't in the wood.

“ So they made a change in equipment. They put their trucks on Budd-Michelin Dual Wheels. Here's what happened . . .

Budd Duals speeded things up, enabling them to get a bigger day's work out of every truck.

The life of their trucks was doubled. Repair and maintenance costs were brought down. Overhead all along the line took a tumble.

And working under five-ton loads, Budd Duals stepped the tire mileage up to 25,000 miles—from 36 x 6 pneumatics! ”

The Mattingly Truck Company soon found that they could underbid competitors and *still* make a profit they never could make with their former equipment.

If you operate one truck or a hundred, and you want more profit out of the job, this experience is worth remembering.

BUDD

WHEEL COMPANY

Warehousemen—

You can get Budd Duals on any make of truck—and your present trucks can be equipped with Duals. Ask your dealer, or write us.

Detroit

Life of J. Edgar Lee Told in Old Family Album Sketch

(Concluded from page 39)

of the business, it looked more and more attractive to him than cartage. So in 1913 he leased, with three associates, a part of the property which he now occupies, at 427 West Erie Street, Chicago.

The newly launched enterprise was known as the Kepler-Currier Warehouse Co. Mr. Currier's business was the selling of feed for horses, and he never was actively engaged in warehousing. He did, however, invest \$4,000 in the firm. Mr. Kepler also put in \$4,000; George Marquard, a bookkeeper, put in \$1,000, and Mr. Lee borrowed enough from the other three to put in \$1,000 when added to his own savings of some few hundred.

At the end of a year Mr. Kepler withdrew and the other three bought him out. By then the capital stock had increased to \$35,000, of which Mr. Currier owned a little more than half. Mr. Lee eventually bought Mr. Currier out for \$65,000 and became president of the Currier-Lee Warehouse Co.

Then came the World War. Entering the service at the urgent request of Col. G. M. McConnell, president of the Railway Terminal & Warehouse Co., Chicago, Mr. Lee was placed in the Quartermaster General's department. The Army was in need of men with a knowledge of warehousing, and in a few months he was sent to New York, where he served for more than a year as storage officer under Gen. H. T. Wilkins, Quartermaster at the New York depot. Here he was given a captain's commission and later received his majority. He was then promoted to the rank of lieutenant colonel and still is a member of the Officers Reserve Corps.

While Mr. Lee was doing his bit, his business at home was prospering under the management of Sidney A. Smith, vice-president, and H. G. Tucker, secretary. In 1920 the company added to its holdings by buying additional property and by taking long-term leases on other desirable sites. Mr. Lee now controls a concern boasting half a million square feet of space in Chicago. The buildings are modern and fireproof, and the service includes everything incidental to the warehouse business.

In 1924 Mr. Lee was lured into boom in Florida—early enough to secure an ideal location for a warehousing business at Tampa. There he purchased a piece of property along the waterfront where a warehouse already had been built with both railroad and docking facilities. This is now known as the Lee Terminal & Warehouse Corp., of which Mr. Lee is president. The first unit of a six-story concrete building being already complete. The Lee dock provides a landing for a number of large ocean-going vessels, and in addition to these it receives a weekly consignment of freight and general cargo from Baltimore.

A firm advocate of the value of an

NEWS

Distribution and Warehousing
March, 1927

Customers Ruling Limits the Entry of Household Goods

JUDGE YOUNG of the United States Customs Court in New York handed down on Jan. 31 a decision on the tariff treatment to be accorded household effects brought from other countries to the United States.

Household effects arriving in this country more than twenty-five years after the arrival of the owner and importer are not entitled to free entry under the provisions of paragraph 1531 of the Tariff Act of 1922, Judge Young ruled.

The importations which were the subject of this case were from Hanover, Germany, and consisted of various pieces of household furniture. It was assessed for duty, under the appropriation provision in the tariff, as wood furniture, manufactures of metal, manufactures of glass, etc. The importer, Hans Schmidt, claimed free entry.

Judge Young in his ruling refers to regulations promulgated by the Secretary of the Treasury, under authority of the statute, to the effect that household effects arriving after more than ten years after the arrival of a passenger in the United States should not, as a general rule, be admitted free.

Ten years, in the opinion of Judge Young, is a liberal period and should not be extended.

Patent of Interest to Industry

(Washington Correspondence)

A new system and apparatus for handling freight and transporting storage commodities, designed to reduce considerably the labor and time involved in loading and unloading, has just been patented in the United States Patent Office at Washington.

The inventor is Britton I. Budd, Chicago, and he has assigned the patent rights to the Chicago, North Shore & Milwaukee Railroad Co.

Mr. Budd's method of handling freight involves a truck with a detachable van or container portion and a special type of railway flat-car adapted to carry the containers. In the process of moving goods from one point to another they can be loaded into the container at the point of shipment and will not need to be unloaded again until they have arrived at their final destination.

The container portion is constructed in semi-trailer form; and, when loaded, the truck, especially designed for the purpose, can be backed up and attached to the container, in order to transport it to the railroad. At the loading platform the container can be detached, wheeled onto the flat-car, where arrangements are provided for fixing it in place, and transported to the station of destination. Here it can be hauled to the final point of consignment by another road vehicle. The semi-trailer compartment is provided with wheels and adjustable legs for supporting it.

Mr. Budd filed application for this patent on March 31, 1926.

Moreton Warehouse Burns

Fire believed to have been of incendiary origin destroyed a warehouse of the Moreton Storage Co., at Erie and Washington Streets, Toledo, Ohio, on Jan. 12, causing a loss estimated at \$100,000. Automobiles and dry goods were stored in the building.

The authorities took into custody a man who is said to have confessed starting the Moreton blaze and twelve other fires smaller in magnitude because of "a desire for excitement." Alienists were assigned to examine him.

Joel B. Nims, the Moreton company's chief clerk, rushed into the office of the building and saved the records from the flames.

"I certainly am well pleased with Kellys"

December 9, 1926
Casper, Wyoming

Kelly-Springfield Tire Co.
1701-15th Street
Denver, Colorado

Gentlemen:

On the inclosed photograph of one of my Reo Speed Wagons the 36 x 8 tires on the rear have been driven 21,500 miles and look good for another 10,000.

The 34 x 7.50 Balloons in front have been driven 6,600 miles and show practically no wear at all. My first set of 36 x 8 were driven 29,500 miles before they were removed from the rear wheels.

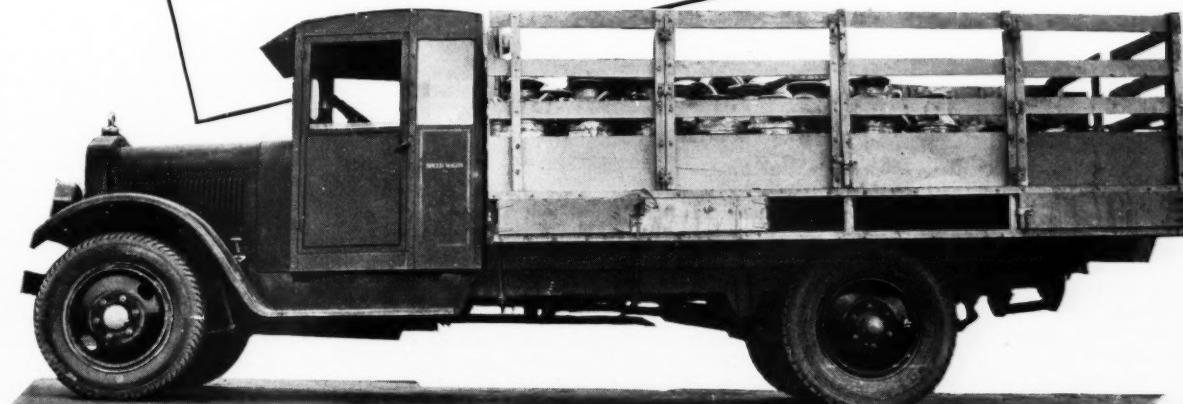
The farthest I ever drove was 12,000, and some only ran 5,000 and 6,000 miles.

This truck makes a trip of 105 miles per day on dirt and gravel roads, at an average speed of 33 miles per hour and with an average load of 6,000 pounds.

I certainly am well pleased with Kelly's and am 100 per cent for you.

Very truly yours,

A.W. Blaine



KELLY-SPRINGFIELD TIRES

WHEN WRITING ADVERTISERS MENTION DISTRIBUTION AND WAREHOUSING

Motor Freight Law May Be Revised in California

REVISION of the California State law governing motor freight transportation is to come before the present California Legislature as a result of the work of a committee of twenty-one Californians of which R. R. Zimmerman, secretary of the City Transfer & Storage Co., Long Beach, was a member. This committee, appointed a year ago by the chairman of the California Railroad Commission, met regularly each month, alternating between Los Angeles and San Francisco, throughout 1926 and then submitted a report embodying its ideas.

One of the paramount problems which confronted the committee involves the protection of the legalized business of motor transportation from the inroads of the unregulated and virtually unlicensed truck drivers.

The latter class pays only 4 per cent of the motor transportation tax, according to Mr. Zimmerman, yet the trucks so operated have multiplied so fast that they have come to constitute the real problem of California's highways today.

From figures ascertained by the committee there were 393,455 trucks of all kinds operating on California roads in 1926—an increase of 67 per cent in a year. On this basis it was figured out that, taking an average increase of 47 per cent during each of the past three years, there would be 1,090,000 trucks operating in California by 1930.

While the committee was engaged in its work the State Supreme Court in the famous Frost case made a distinction between the methods of truck transportation. The Court held that trucking companies operating on a regular schedule between definite termini were to be known as common carriers and subject to the regulations of the State Railroad Commission. But individuals or concerns doing a contract carrying to and from various places without schedule, were to be known as contract carriers and not to be subject to the Commission's regulation.

The committee of twenty-one worked out a plan for different kinds of motor licenses for truck transportation. The committee aims, by a revision of the law, to engage all engaged in commercial trucking to take out licenses from the State, and in their applications to designate the kind and methods of business transacted.

In this way the State would be enabled to have a close check on all trucks operating over any State highway, and the committee believes that this would vastly increase the taxation so derived. At present only 4 per cent of the commercial trucks operating are regulated, it is claimed.

Investigation by the committee disclosed that many trucks in the unregulated class ran empty at least one way on their trips and passed one another on the roads, thus greatly augmenting the traffic congestion complained of by motorists.

The committee of twenty-one submitted its report to the State Railroad Commission without making any recommendations, as the seven members representing the agricultural sections of the State declines to subscribe to any recommendations, and it had previously been agreed that no recommendations would be made which were not concurred in unanimously. The testimony and other information were embodied in the report and the committee is hopeful that the State Legislature will be able to work out a solution.

Stork at Headley Home

A daughter, Mary Elizabeth Headley, arrived on Feb. 14 at the home of Mr. and Mrs. Frank A. Headley, Chester, Pa. Mr. Headley is secretary and treasurer of Headley's Express & Storage Co., Inc. The newcomer weighed eight and a half pounds.

P. F. Cassidy



Formerly Chicago representative of the American Chain of Warehouses, Mr. Cassidy is now associated with the Crooks Terminal Warehouses of Chicago and Kansas City

Skellet Co. Personnel

Warehousemen and traffic managers having copies of the 1927 Warehouse Directory, published as part of the January, 1927, issue of *Distribution and Warehousing*, should make the following changes in the listing of the Skellet Co., Minneapolis, in page 234 of the Directory:

The name of George LaBelle as secretary and manager should be eliminated and the following personnel should be inserted:

President, treasurer and manager, Oliver Skellet; Vice-President, Thomas J. Skellet; Secretary, J. C. Christensen.

Oliver Skellet and Thomas J. Skellet are sons of the late Thomas J. Skellet.

P. F. Cassidy Is Now with Crooks Terminal Warehouses

AT the annual meeting of the American Chain of Warehouses in Kansas City, P. F. ("Pat") Cassidy, the Chain's Chicago representative, announced his resignation to go with the Crooks Terminal Warehouses of Chicago and Kansas City. He is succeeded in his Chain position by Willis H. Eddy, formerly with the New York Central. The Chain delegates at their convention adopted resolutions regretting Mr. Cassidy's departure. (The text of this memorial will be found on page 28.)

For the past eleven years Mr. Cassidy had been identified with the Chain and prior to that period he was connected with several of the large railroads. In these positions he was closely in contact both with shippers and with public storage executives—experience which peculiarly fits him for his new work as a representative of the Crooks interests.

In making a connection with the Crooks Terminal Warehouses Mr. Cassidy will represent not only the Chicago, Kansas City and New York offices of this firm but also all other warehouses affiliated with the Crooks interests in the distribution and storage of goods.

At the present time these affiliated firms are the Inter-State Forwarding Co., Dallas; the Kennicott-Patterson Warehouse Corporation, Denver; the Metropolitan Warehouse Co., Los Angeles, and the Security Warehouse Co., Minneapolis. These representations will be increased, it is announced, "so as to give the national distributor the advantages of personal contact with an individual acting for a warehouse at most of the important distributing points."

Murphy Interstate Route

The Murphy Transfer & Storage Co., Minneapolis, recently inaugurated service on the first big interstate truck line to operate out of the Twin Cities. The Wisconsin Railroad Commission granted the Minneapolis company's application for a permit to carry on business in Wisconsin.

Two and a half ton trucks, equipped for both heating and refrigeration, make daily trips on regular schedule, carrying freight of all kinds and perishables, with the Twin Cities as the western terminus, and moving 100 miles to the Minnesota border and on into Wisconsin.

Clay Now Selden Truck Manager

Announcement is made by the Selden Truck Corporation, Rochester, N. Y., of the appointment of W. G. Clay to the office of sales manager. For many years a sales executive in the automotive industry, Mr. Clay has for the past two years been the Selden company's assistant sales manager in charge of Pennsylvania, Maryland, southern New Jersey and West Virginia. In his new position he will have entire charge of the sales organization.

Meriwether Warehouse & Storage Company Advertises International “SUDDEN SERVICE”

THIS enterprising firm, down in Shreveport, La., does business with three International Trucks—the three “Suddens:” “Samson,” “Susie,” and “Sally.” And they are so well satisfied with the trucks that they tell the world about them in their newspaper advertising, making capital of the International reputation for reliability, speed, easy riding, etc.

Refer to the reduction, at the right, of their recent advertisement. “Sudden Samson,” a heavy-duty International with semi-trailer, is shown hauling 12 tons of pipe for an oil field supply company. Look further, and you will find that each of the three “Sudden” International Trucks is featured to attract a special class of haulage business. Every word of the company’s message to prospective customers is a recommendation for International Trucks. The management of a transportation firm *must* be well sold on its trucks to build business around them in this manner.

INTERNATIONAL HARVESTER COMPANY
of America
(Incorporated)
606 So. Michigan Ave.
Chicago, Ill.
125 Company-Owned Branches in the
United States

MERIWETHER
Warehouse & Storage Company
(Bonded Warehouse)
“ANOTHER SUDDEN SERVICE”
C. S. Smith, Manager
1533-35 Texas Avenue Phone 4732



Look-What-a-Load!

An Interesting Picture With a Powerful Argument

“SUDDEN SAMSON” as pictured above with a 12-ton load of pipe, belonging to the Republic Supply Co., is only one of our International Fleet that is constantly at your service to solve your heavy hauling problems.

“SUDDEN SUSIE” is another member of our Sudden Service Fleet. She is a model SL International Moving Van with a big, roomy, safe body. The ideal truck for moving.

“SUDDEN SALLY” is a model S International. Our speedy 1½-ton truck for light, speedy, clean-cut hauling jobs.

*Storage—Packing—Moving
Local and Long Distance Hauling*

INTERNATIONAL
HARVESTER
COMPANY



“Brutes for Work,” says Mr. Ehrlich of his Internationals. Internationals have reserve strength without excessive weight—they have ample power for emergencies, yet operate economically under normal conditions.

THERE is a tip for other International Truck owners, in the transfer and storage business, in this local advertising of the Meriwether Warehouse & Storage Company. Instead of showing the same pictures each time you advertise, take pictures of your trucks hauling

loads for well-known local firms and individuals and feature these in your local newspaper advertisements. The business-like appearance of International Trucks, their reputation for dependability, and the standing of the customers combine to make advertising interesting and productive.

The International line includes trucks in capacities ranging from $\frac{3}{4}$ -ton to 5-ton; Motor Coaches; and McCormick-Deering Industrial Tractors

Construction, Removals, Purchases and Changes

Albany Port District Commission. Albany, N. Y., has preliminary plans for a 5-story cold and dry storage warehouse on the waterfront, the initial unit to cost close to \$1,000,000.

Allen Moving & Storage Co., Asheville, N. C., has plans for a \$115,000 5-story and basement warehouse, 60 by 100 feet.

Argonne Transfer & Storage Co., Los Angeles, has begun construction of a \$40,000 warehouse, 5 stories high, on a site 52 by 55 feet, at 806 W. Forty-seventh Street.

Ashland Transfer Co., Ashland, Ky., has filed an application with the Ohio Public Utilities Commission for a certificate to operate a motor truck line between Ashland and Portsmouth, Ohio.

Bayway Terminal, Elizabeth, N. J., has filed plans for two new warehouses. One, to cost \$500,000, will be 5 stories high; the other is a 3-story structure to cost about \$200,000.

John C. Crossland, Miami, Fla., is organizing a company to construct and operate a bonded warehouse and cold storage plant to cost about \$1,000,000 and to have a capacity of 1,500,000 cubic feet. Mr. Crossland is president of the Miami Fish & Ice Co.

Croton Transportation Co., Cleveland, operating a motor truck delivery service, is completing plans for a \$275,000 4-story and basement warehouse and truck terminals, 158 by 200 feet, at Croton Avenue and Fortieth Street.

Diamond Transfer Co. and Cole's Transfer Co., Monrovia, Cal., have merged under the former firm's name with John R. Harris and L. D. Cady as partners.

Dunn Brothers, Chicago, has filed plans for a \$165,000 5-story and basement warehouse, 50 by 200 feet, at 6716-6718 Cottage Grove Avenue.

Elmhurst Transfer Co., Elmhurst, Ill., is planning a \$150,000 4-story warehouse, 55 by 140 feet, on First Street near York Street.

Farmers Terminal Packing Co., New-port, Minn., is planning a \$100,000 warehouse addition.

Grueschow Furniture Packing Co., Milwaukee, is planning a \$150,000 warehouse, 5 stories high, 60 by 122 feet, at Twenty-third and Center Streets.

Peter Helm, Pittsburgh, Cal., heads a company which plans a \$45,000 1-story cold storage warehouse on a one-acre site recently acquired.

Hillier Storage Co., Springfield, Ill., will ask bids for a \$75,000 5-story and basement warehouse at 417 North Fourth Street.

Hunter Transfer Co., Texarkana, Tex., and Texarkana, Ark., will build a \$60,000 3-story warehouse, 70 by 120 feet.

Jackson Storage & Van Co., Chicago, is planning a \$150,000 4-story and basement household goods depository, 50 by 150 feet, at 3611-3613 West Twenty-second Street.

Jerpe Cold Storage Co., Omaha, is considering constructing a \$50,000 2-story cold storage warehouse.

Lehigh Valley Railroad Co., New York City, will erect a \$75,000 3-story warehouse, 70 by 108 feet, at Exterior and 149th Streets.

Merchants Ice & Cold Storage Co., Los Angeles, has filed plans for a \$45,000 1-story cold storage warehouse at 518 Seaton Street.

Merchants Refrigerating Co., New York City and Jersey City, has filed plans for a \$100,000 1-story cold storage warehouse at 120-142 First Street, Jersey City, N. J.

Minshew Transfer & Storage Co., Brawley, Cal., has been sold by T. W. Minshew, who was the founder, to J. H. Bailey.

Mitchell-the-Mover, Inc., Ithaca, N. Y., operated by W. J. Mitchell as president, has retired from business after selling its storage and trucking interests.

Monumental Storage & Carpet Cleaning Co., Baltimore, plans the erection of a 2-story warehouse, 65 by 87 feet, at Parsons Street and Windsor Avenue.

Nebraska Ice & Cold Storage Co., Falls City, Neb., will build a \$60,000 addition, 65 by 125 feet, to its cold storage warehouse.

Philadelphia & Reading Railway, Philadelphia, is considering plans for a \$50,000 2-story warehouse and freight station in Shamokin, Pa.

Providence Wholesale Food Terminal, Providence, R. I., has tentative plans for a \$175,000 warehouse and produce terminal on Allen Avenue.

Port Raritan Commission, Perth Amboy, N. J., has tentative plans for a \$750,000 terminal project, comprising dry and cold storage warehouses, on the city waterfront.

Quincy Market Cold Storage & Warehouse Co., Boston, has negotiated a long-term lease for extensive space in the building at 131 Beverly Street to the V. J. Kuch Co.

The John Rhoads Co., Philadelphia, is no longer in business. The proprietor, Morris Berger, has disposed of his interests.

Charles H. Rix, Inc., Bronx, New York City, is the new name of the Sunrise Storage Co., Inc. The Rix company has been admitted to memberships in the New York Furniture Warehouses' Association and New York State Warehouses' Association.

Rockwell Ice & Storage Co., Camden, Ark., recently organized, has plans for a \$45,000 1-story cold storage warehouse.

Rodgers & Albany Warehouse Co., Chester, Pa., has completed plans for a \$100,000 4-story warehouse, 83 by 95 feet.

Salinas Cold Storage & Ice Co., Salinas, Cal., recently organized, has plans for expending \$150,000 on extensions and improvements.

Santini Storage Co., Inc., New York City, has filed plans for a \$60,000 3-story warehouse, 50 by 90 feet, on St. Peters Avenue near Glebe Avenue.

Seaboard All-Florida Railway Co., Miami, has filed plans for a \$23,000 1-story warehouse with loading platform, at N. W. 22nd Terrace and Tenth Avenue.

New Incorporations

Within the Industry

Adolph's Transfer Co., Indianapolis. General storage and transfer. Nominal capital, \$3,000. Incorporators, Charles J. DuGranrut and Adolph F. Fullgraff.

Astoria Enterprise Storage Warehouse, Astoria, N. Y. Capital, 100 shares of stock, no par value. Incorporators, R. Dall, H. H. Zachs and S. Siefreich.

Bay Ridge Fireproof Storage Co., Brooklyn. General storage warehouse. Nominal capital, \$1,000. Incorporators, A. Kaiser, E. McCarthy and M. Levinson.

H. T. Biehl Transfer Co., Indianapolis. General warehouse and transfer business. Capital, ten shares, no par value. Directors, Harry T. Biehl, Edward Dietz, May S. Biehl and Mayme J. Dietz.

Brookline Trucking Co., Brookline, Mass. Transportation and trucking. Capital, 1000 shares of stock, no par value. Incorporators, Ralph D. Weston, of Auburndale; Helen M. Woodfine, of Marblehead, and A. A. Alliare, of Salem, Mass.

C. & D. Motor Delivery Co., Cincinnati. Storing, forwarding, hauling and transferring. Capital, \$50,000. Incorporators, L. J. Hughes, Carl T. Foley, Howard N. Raglan, Walter J. Murphy and George W. Kennealy, Jr.

Central Forwarding & Warehouse Co., Inc., Waco, Tex.

Chattanooga Terminal Warehouses, Chattanooga, Tenn. Capitalization, \$750,000. Incorporators, W. E. Brock, H. C. Carbaugh, J. L. Jenkins, J. T. Owen, Z. W. Wheland and others.

City Transportation Co., Cambridge, Ohio. Capital, \$50,000. Incorporators, Arthur J. Bennett, W. H. Hannan, J. E. Thompson, J. E. Slingluff and C. I. Gibson.

Commonwealth Carloading & Distributing Corp., New York City. Shipping agents. Capital, 200 shares of common stock, no par value. Incorporators, J. S. Dalton, G. T. Russell and J. B. Erway.

Compress Warehouse & Distributing Co., New York City. Storage of medicinal preparations. Capital, \$50,000. Incorporators, P. and A. Undegarefalo.

Detroit Railway & Harbor Terminal Land Co., Detroit. To construct and operate storage warehouse terminal, docks and wharves. Capital, \$60,000 and 24,000 shares of stock, no par value. Incorporators, David A. Warner, Huston Rawls and D. S. Kiskadden.

Greene Transfer Corp., Newburgh, N. Y. Capital, \$30,000. Incorporators, F. Greene, C. W. Greene and L. H. Didsbury.

Grove Furniture & Storage Co., Chicago. Furniture storage warehouse. Capital, \$21,000. Incorporators, Alexander Cohen and Joseph H. Goodman.

H. C. Hicks Storage Warehouse, Inc., White Plains, N. Y. General storage warehouse. Capital, \$35,000. Incorporators, R. F. Segur, W. R. Condit and G. Hill. This company was established in 1912.

The 40,000 Sq. Foot Addition to this Warehouse was designed by **FREDERICK STANTON**



Stanton Built warehouses are proving that a particular knowledge of warehousing requirements results in the saving of space and thus reduces operating and building costs.

Our knowledge of the warehouse business gained through years of experience, together with the record for warehouses economically built, qualifies us to serve you well.

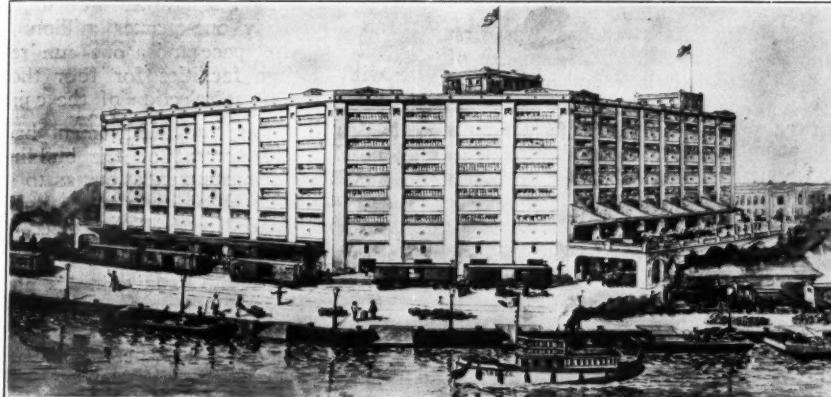
May we not talk it over with you? There would be no charge for consultation.

FREDERICK STANTON

Architect

2026 Straus Bldg.

Chicago, Ill.



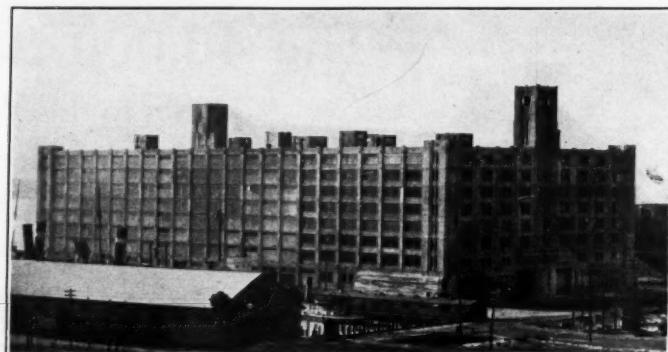
WANTED

Manager for This Warehouse at Houston, Texas, Now Under Construction

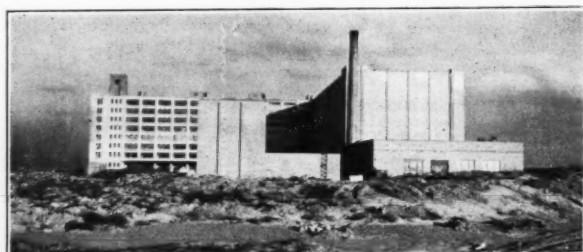
If you are now managing a successful terminal warehouse and can give satisfactory references including your present employers and local bankers; and if you would like to locate in Houston and manage this large modern, ideally located dry and cold storage plant (275,000 square feet dry storage, 700,000 cubic feet cold storage) then write to R. H. Baker, President,

**Houston Terminal Warehouse & Cold Storage Co.
Houston, Texas**

If you do not meet above requirements, please do not apply. Can arrange for Manager to acquire stock interest end of three to five years provided he gives satisfactory service.



Canada's Largest Terminal Warehouse



A Record in Finance, Design and Construction

During February we turned the Canadian Rail and Harbor Terminal at Toronto over to the Owners!

Canada's largest terminal warehouse was first conceived in the mind of a Canadian financier of wide vision in the late Fall of 1925 and in the very last days of that year we were commissioned to take charge of the project. In the first four months of 1926 we completed a thorough investigation of Toronto and the Province of Ontario; we made our recommendations; we completed the plans; the financial arrangements were completed following our recommendations and with our approval; negotiations for the management were started at our suggestion; the contractor was selected by us and construction contracts closed.

Actual construction work started on May 4th; on November 29th the first goods were brought in for storage; on January 6th, 1927, the manager moved into his office and on February 15th the entire plant

was turned over to the management. This record of constructing in *nine months* approximately three-quarter million square feet of dry storage space, approximately one-quarter million square feet of cold storage space and a one hundred ton ice plant with storage facilities for four thousand tons of ice justifies our selection of the contractor.

At this time the management has contracts for nearly *fifty percent* of the building! This fact justifies our recommendations as to size and speaks well for our prophecy of last year that even one million square feet will not meet Ontario's needs in a few years.

Our balanced Organization is at the service of bankers, warehousemen and others for making careful and confidential investigations of proposed terminal facilities anywhere in the world and if the results of our investigation show a feasible proposition, we have the Organization to carry the project to completion in record time.

MOORES & DUNFORD, Inc.

Warehouse Engineers



110 East 42nd Street

New York City

The Shippers' Index

A Guide to representative Merchandise, Cold Storage and Household Goods Warehouses, Forwarders, Terminals, and Transfer Companies, arranged by States and Towns

"ANDY" SAYS:

THE largest edition ever published of the Annual Directory issue of *Distribution and Warehousing* was printed this year. We expect each succeeding year's issue to run larger than the last, due to the ever-increasing demand for this invaluable guide for warehousemen and those who use public warehousing accommodations.

It is, however, our earnest desire not to waste a single copy of it, but to put it in the hands of every man in the United States and Canada who needs it. In this connection the warehousemen themselves can be of immense assistance to us, and we ask each one of them to cooperate.

You can do it in this way: when you find a man who uses warehouses and does not know about the Directory issue of *Distribution and Warehousing*, tell him about it; and then go a step further to tell us. Some warehousemen are so enthusiastic about the work we are doing that they enter a subscription in the name of the other man and then pay for it themselves. It has proved to be a very good investment for those

who have done it, and we wish more of our warehouseman-readers felt this way about it.

At any rate—let us coordinate our efforts in such a way as to make the industry a bigger and better one each year.

This can't be accomplished more quickly and securely than by concentrating attention upon the vehicle intended for this purpose—*Distribution and Warehousing*.

It is a recognized fact that the growth or decline of an industry, no matter what industry it may be, is first reflected in the pages of its recognized trade or industrial publication. Accepting this fact at its face value, every man in the warehousing industry should take pride in showing, to his friend or his banker, that remarkable 1927 Annual Directory issue and also the eleven following monthly editions. It would be a tribute to the industry of which he is a part.

We are proud of accomplishments and we want you to feel the same way about it.

"ANDY."

CONVENTION CALENDAR

(Annual or Semi-Annual Meetings)

April 22-23	Missouri Warehousemen's Association.....	St. Louis
June	Canadian Storage & Transfermen's Association.....	Winnipeg
July	National Furniture Warehousemen's Association.....	Mackinac Island, Mich.
October	Connecticut Warehousemen's Association.....	(To be decided)
December	Illinois Association of Warehousemen.....	Chicago
December or January	American Chain of Warehouses.....	(To be decided)
December or January	American Warehousemen's Association.....	(To be decided)
January	Distribution Service, Inc.....	(To be decided)
January	New Jersey Furniture Warehousemen's Association.....	Newark
February	New York Furniture Warehousemen's Association.....	New York City
February	Maryland Warehousemen's Association.....	Baltimore
February	Pacific Coast Furniture Warehousemen's Association.....	(To be decided)
February	Pennsylvania Furniture Warehousemen's Association.....	Philadelphia

BIRMINGHAM, ALA.

BRADSHAW-PLOSSER CO., Inc.

Receiving and Warehousing of General Merchandise In
carloads or less than carloads. Direct connection with all
railroads.

Trucks and horse drawn equipment.

529 North 28th Street
ONE block from Terminal Station

BIRMINGHAM, ALA.

Charlie's Transfer Co.

Incorporated 1903

**Distributors and Forwarders
Storage and Hauling**

We specialize on merchandise handling.
Private siding, connecting with all railroads.

BIRMINGHAM, ALA.

ESTABLISHED—1880

OVER 40 YEARS OF HONORABLE SERVICE

HARRIS TRANSFER

AND

WAREHOUSE CO.

FIREPROOF and NON-FIREPROOF
WAREHOUSES

MERCHANDISE and HOUSEHOLD GOODS
STORAGE HAULING PACKING

Prompt Service—Accurate Accounting

8 South Eighteenth Street

Members: A. W. A., N. F. W. A., S. O. W. A., A. L. A. T. & W. A.

BIRMINGHAM, ALA.

Hess-Strickland Transfer & Storage Co.

General Merchandise, Furniture
and Household Goods Storage

Distribution of Pool Cars Given Special Attention—Motor Trucks in
Addition to Wagon Equipment—Track Connections with All Railroads.

BIRMINGHAM, ALA.

Wittichen Transfer & Warehouse Co.
Fireproof Warehouse

Members

**POOL CAR DISTRIBUTORS—**

Hauling, Packing Household Goods and
Merchandise.

National Furniture

Warehousemen's

Assn.

Southern

Warehousemen's

Assn.

A. L. Warehouse

& Transfer

Assn.

Free switching from all Railroads.

Warehouse and Office on Southern
Railroad. 2329 First Avenue, No.

BIRMINGHAM, ALA.

Safety, Economy

Merchants' & Mfrs.' Terminal Warehouses

Especial arrangement for the Jobber, Merchant and Manufacturer to
handle his stocks, also space for distribution of stocks.

Office: 1926 4th Avenue North
Clark-Gregory-Blake Agency, Rental Agents

MONTGOMERY, ALA.

LEADING WAREHOUSEMEN

**DISTRIBUTION—HAULING
PACKING — STORAGE of
HOUSEHOLD GOODS
MERCHANDISE and AUTOMOBILES**

TWO LARGE WAREHOUSES—PRIVATE SPUR
LARGE FLEET OF MOTOR TRUCKS

ALA. MOTOR TRANSFER CO.
COR. LAWRENCE and RANDOLPH—132 LEE

MONTGOMERY, ALA.

L. J. MOELLER, Pres.

STORAGE—FORWARDING—DISTRIBUTING

Warehouse on Western Railway of Alabama.
Bonded. Sprinkler System. Low Insurance.

ALABAMA'S LARGEST MERCHANDISE WAREHOUSEMEN

MOELLER TRANSFER & STORAGE CO.

210-220 Coosa St. P. O. Box 552.

PROMPT SERVICE SATISFACTION GUARANTEED

Members: { American Warehousemen's Association
Southern Warehousemen's Association

MONTGOMERY, ALA.

L. J. MOELLER, Pres.

Stanford Transfer and Warehouse Co., Inc.

Household Goods Exclusively

MOVING STORAGE PACKING and SHIPPING

3 Jefferson Street

PHOENIX, ARIZONA

ARIZONA STORAGE and DISTRIBUTING CO.

MERCHANDISE and HOUSEHOLD GOODS

POOL CAR DISTRIBUTION

Lowest Insurance Rates

Trucking Service

18 SOUTH CENTRAL

N.F.W.A.—A.W.A.

PHOENIX, ARIZONA

The Lightning Delivery Co.
TRANSFER
AND
STORAGE

Storage capacity 68,000 sq. feet. General receiving and
forwarding agents. Pool car distribution our specialty.